



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

HABIB BANK LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

2021 (US \$ in '000)	2020		Note	2021 (Rupees in '000)	2020
ASSETS					
2,499,822	2,126,070	Cash and balances with treasury banks	5	441,252,246	375,280,120
365,060	320,280	Balances with other banks	6	64,438,075	56,533,829
531,078	170,832	Lendings to financial institutions	7	93,742,432	30,154,193
11,041,399	11,039,251	Investments	8	1,948,955,978	1,948,576,822
8,537,857	6,931,539	Advances	9	1,507,047,097	1,223,510,222
559,030	505,288	Fixed assets	10	98,676,342	89,190,210
71,555	58,992	Intangible assets	11	12,630,475	10,412,880
-	-	Deferred tax assets		-	-
853,904	653,800	Other assets	12	150,725,500	115,404,542
<u>24,459,705</u>	<u>21,806,052</u>			<u>4,317,468,145</u>	<u>3,849,062,818</u>
LIABILITIES					
250,389	263,063	Bills payable	13	44,196,984	46,434,199
2,471,528	3,082,528	Borrowings	14	436,258,005	544,107,826
19,159,999	16,034,872	Deposits and other accounts	15	3,381,998,398	2,830,371,390
-	-	Liabilities against assets subject to finance lease		-	-
70,102	126,653	Subordinated debt	16	12,374,000	22,356,000
28,794	58,850	Deferred tax liabilities	17	5,082,602	10,387,859
871,731	735,979	Other liabilities	18	153,872,354	129,910,297
<u>22,852,543</u>	<u>20,301,945</u>			<u>4,033,782,343</u>	<u>3,583,567,571</u>
<u>1,607,162</u>	<u>1,504,107</u>	NET ASSETS		<u>283,685,802</u>	<u>265,495,247</u>
REPRESENTED BY					
Shareholders' equity					
83,101	83,101	Share capital	19	14,668,525	14,668,525
461,017	408,252	Reserves		81,375,519	72,062,025
142,535	203,978	Surplus on revaluation of assets - net of tax	20	25,159,371	36,004,914
897,616	782,990	Unappropriated profit		158,441,418	138,208,223
<u>1,584,269</u>	<u>1,478,321</u>	Total equity attributable to the equity holders of the Bank		<u>279,644,833</u>	<u>260,943,687</u>
22,893	25,786	Non-controlling interest		4,040,969	4,551,560
<u>1,607,162</u>	<u>1,504,107</u>			<u>283,685,802</u>	<u>265,495,247</u>
CONTINGENCIES AND COMMITMENTS					
21					

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020		Note	2021 (Rupees in '000)	2020
1,485,746	1,536,637	Mark-up / return / profit / interest earned	23	262,253,962	271,237,258
741,218	799,559	Mark-up / return / profit / interest expensed	24	130,834,913	141,132,940
<u>744,528</u>	<u>737,078</u>	Net mark-up / return / profit / interest income		<u>131,419,049</u>	<u>130,104,318</u>
Non mark-up / interest income					
144,087	106,483	Fee and commission income	25	25,433,355	18,795,739
5,177	2,772	Dividend income		913,769	489,303
14,648	16,787	Share of profit of associates and joint venture		2,585,595	2,963,090
30,483	(916)	Foreign exchange income / (loss)		5,380,594	(161,688)
(1,032)	6,107	(Loss) / gain from derivatives		(182,098)	1,077,945
5,803	39,968	Gain on securities - net	26	1,024,384	7,054,874
6,548	2,128	Other income	27	1,155,761	375,597
<u>205,714</u>	<u>173,329</u>	Total non mark-up / interest income		<u>36,311,360</u>	<u>30,594,860</u>
<u>950,242</u>	<u>910,407</u>	Total income		<u>167,730,409</u>	<u>160,699,178</u>
Non mark-up / interest expenses					
542,650	532,641	Operating expenses	28	95,784,969	94,018,405
7,213	6,287	Workers' Welfare Fund - charge	29	1,273,226	1,109,730
3,157	1,817	Other charges	30	557,198	320,793
<u>553,020</u>	<u>540,745</u>	Total non mark-up / interest expenses		<u>97,615,393</u>	<u>95,448,928</u>
<u>397,222</u>	<u>369,662</u>	Profit before provisions and taxation		<u>70,115,016</u>	<u>65,250,250</u>
45,816	69,228	Provisions / (reversals) and write offs - net	31	8,087,105	12,219,614
<u>351,406</u>	<u>300,434</u>	Profit before taxation		<u>62,027,911</u>	<u>53,030,636</u>
150,249	125,301	Taxation	32	26,521,038	22,117,287
<u>201,157</u>	<u>175,133</u>	Profit after taxation		<u>35,506,873</u>	<u>30,913,349</u>
Attributable to:					
198,409	175,014	Equity holders of the Bank		35,021,853	30,892,271
2,748	119	Non-controlling interest		485,020	21,078
<u>201,157</u>	<u>175,133</u>			<u>35,506,873</u>	<u>30,913,349</u>
Basic and diluted earnings per share					
			33	<u>23.88</u>	<u>21.06</u>

-----Rupees-----

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020		2021 (Rupees in '000)	2020
198,409	175,014	Profit after taxation for the year attributable to:	35,021,853	30,892,271
2,748	119	Equity holders of the Bank	485,020	21,078
201,157	175,133	Non-controlling interest	35,506,873	30,913,349
		Other comprehensive income / (loss)		
		<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>		
		Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax, attributable to:		
30,120	13,131	Equity holders of the Bank	5,316,304	2,317,496
482	435	Non-controlling interest	85,115	76,720
30,602	13,566		5,401,419	2,394,216
846	311	Increase in share of exchange translation reserve of associates - net of tax	149,385	54,866
		Movement in surplus / deficit on revaluation of investments - net of tax, attributable to:		
(60,641)	28,202	Equity holders of the Bank	(10,703,813)	4,978,206
(340)	108	Non-controlling interest	(60,040)	19,147
(60,981)	28,310		(10,763,853)	4,997,353
(530)	198	Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	(93,613)	34,977
		<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>		
		Remeasurement gain / (loss) on defined benefit obligations - net of tax, attributable to:		
1,155	(876)	Equity holders of the Bank	204,020	(154,494)
(7)	3	Non-controlling interest	(1,152)	486
1,148	(873)		202,868	(154,008)
24	29	Share of remeasurement gain on defined benefit obligations of associates - net of tax	4,186	5,168
		Movement in surplus / deficit on revaluation of fixed assets - net of tax, attributable to:		
81	34,658	Equity holders of the Bank	14,317	6,117,647
(81)	214	Non-controlling interest	(14,317)	37,697
-	34,872		-	6,155,344
752	281	Movement in surplus / deficit on revaluation of non-banking assets - net of tax	132,680	49,570
<u>173,018</u>	<u>251,827</u>	Total comprehensive income	<u>30,539,945</u>	<u>44,450,835</u>
		Total comprehensive income attributable to:		
170,216	250,948	Equity holders of the Bank	30,045,319	44,295,707
2,802	879	Non-controlling interest	494,626	155,128
<u>173,018</u>	<u>251,827</u>		<u>30,539,945</u>	<u>44,450,835</u>

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Attributable to shareholders of the Bank											Non-controlling interest	Total
Share capital	Reserves					Surplus / (deficit) on revaluation of		Unappropriated profit	Sub Total			
	Statutory		Capital									
	Joint venture and subsidiary	Bank (note 19.5)	Exchange translation (note 19.6)	Non-distributable	On acquisition of common control entity	Investments	Fixed / Non Banking Assets					
(Rupees in '000)												
14,668,525	1,239,213	33,463,859	31,167,030	547,115	(156,706)	3,530,150	21,345,233	114,550,097	220,354,516	4,396,996	224,751,512	
-	-	-	-	-	-	-	-	30,892,271	30,892,271	21,078	30,913,349	
-	-	-	2,317,496	-	-	-	-	-	2,317,496	76,720	2,394,216	
-	-	-	54,866	-	-	-	-	-	54,866	-	54,866	
-	-	-	-	-	-	-	-	(154,494)	(154,494)	486	(154,008)	
-	-	-	-	-	-	-	-	5,168	5,168	-	5,168	
-	-	-	-	-	-	4,978,206	6,167,217	-	11,145,423	56,844	11,202,267	
-	-	-	-	-	-	34,977	-	-	34,977	-	34,977	
-	-	-	2,372,362	-	-	5,013,183	6,167,217	30,742,945	44,295,707	155,128	44,450,835	
-	207,937	3,152,368	-	-	-	-	-	(3,360,305)	-	-	-	
-	-	-	-	-	-	-	(50,869)	51,433	564	(564)	-	
-	-	-	(1,082,350)	-	-	-	-	-	(1,082,350)	-	(1,082,350)	
-	-	-	-	-	-	-	-	(108,817)	(108,817)	-	(108,817)	
-	-	-	1,151,197	-	-	-	-	-	1,151,197	-	1,151,197	
-	-	-	-	-	-	-	-	(1,833,565)	(1,833,565)	-	(1,833,565)	
-	-	-	-	-	-	-	-	(1,833,565)	(1,833,565)	-	(1,833,565)	
-	-	-	-	-	-	-	-	(3,667,130)	(3,667,130)	-	(3,667,130)	
14,668,525	1,447,150	36,616,227	33,608,239	547,115	(156,706)	8,543,333	27,461,581	138,208,223	260,943,687	4,551,560	265,495,247	
-	-	-	-	-	-	-	-	35,021,853	35,021,853	485,020	35,506,873	
-	-	-	5,316,304	-	-	-	-	-	5,316,304	85,115	5,401,419	
-	-	-	149,385	-	-	-	-	-	149,385	-	149,385	
-	-	-	-	-	-	-	-	204,020	204,020	(1,152)	202,868	
-	-	-	-	-	-	-	-	4,186	4,186	-	4,186	
-	-	-	-	-	-	(10,703,813)	146,997	-	(10,556,816)	(74,357)	(10,631,173)	
-	-	-	-	-	-	(93,613)	-	-	(93,613)	-	(93,613)	
-	-	-	5,465,689	-	-	(10,797,426)	146,997	35,230,059	30,045,319	494,626	30,539,945	
-	413,822	3,427,149	-	-	-	-	-	(3,840,971)	-	-	-	
-	-	-	-	-	-	-	(195,114)	196,608	1,494	(1,494)	-	
-	-	-	(1,369)	-	-	-	-	-	(1,369)	-	(1,369)	
-	-	-	(246,489)	-	-	-	-	-	(246,489)	-	(246,489)	
-	254,692	-	-	-	-	-	-	749,031	1,003,723	(1,003,723)	-	
-	-	-	-	-	-	-	-	(4,400,556)	(4,400,556)	-	(4,400,556)	
-	-	-	-	-	-	-	-	(2,566,992)	(2,566,992)	-	(2,566,992)	
-	-	-	-	-	-	-	-	(2,566,992)	(2,566,992)	-	(2,566,992)	
-	-	-	-	-	-	-	-	(2,566,992)	(2,566,992)	-	(2,566,992)	
-	-	-	-	-	-	-	-	(12,101,532)	(12,101,532)	-	(12,101,532)	
14,668,525	2,115,664	40,043,376	38,826,070	547,115	(156,706)	(2,254,093)	27,413,464	158,441,418	279,644,833	4,040,969	283,685,802	

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**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020		Note	2021 (Rupees in '000)	2020
351,406	300,434	CASH FLOWS FROM OPERATING ACTIVITIES		62,027,911	53,030,636
(5,177)	(2,772)	Profit before taxation		(913,769)	(489,303)
(14,648)	(16,787)	Dividend income		(2,585,595)	(2,963,090)
(19,825)	(19,559)	Share of profit of associates and joint venture		(3,499,364)	(3,452,393)
331,581	280,875			58,528,547	49,578,243
39,482	33,780	Adjustments:		6,969,192	5,962,553
6,011	4,528	Depreciation		1,061,035	799,329
19,176	21,503	Amortisation		3,384,774	3,795,518
18,428	10,883	Depreciation on right-of-use assets		3,252,794	1,920,912
7,020	14,748	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		1,239,075	2,603,244
(7,131)	(1,752)	Mark-up / return / profit / interest expensed on subordinated debt		(1,258,723)	(309,323)
43,311	68,322	Reversal of provision for diminution in value of investments		7,645,044	12,059,829
1,077	3,728	Provision against loans and advances		190,136	658,088
8,727	2,180	Provision against other assets		1,540,508	384,791
(381)	(213)	Provision against off-balance sheet obligations		(67,246)	(37,528)
(1,387)	(1,049)	Unrealised gain on held-for-trading securities		(244,750)	(185,219)
(1,396)	-	Exchange gain on goodwill		(246,489)	-
(8)	(6,132)	Exchange gain realised on partial repatriation of branch capital - net of tax		(1,369)	(1,082,350)
-	6,522	Exchange gain realised on liquidation of subsidiary - net of tax		-	1,151,197
(451)	(491)	Exchange loss realised on closure of bank branch - net of tax		(79,639)	(86,580)
(91)	(14)	Gain on sale of fixed assets - net		(16,000)	(2,500)
7,213	6,287	Gain on sale of non-banking assets		1,273,226	1,109,730
139,600	162,830	Workers' Welfare Fund - charge		24,641,568	28,741,691
471,181	443,705			83,170,115	78,319,934
(360,246)	85,823	(Increase) / decrease in operating assets		(63,588,239)	15,149,006
(413,447)	768,536	Lendings to financial institutions		(72,978,890)	135,657,036
(1,649,630)	(388,713)	Held-for-trading securities		(291,181,919)	(68,613,057)
(194,355)	77,175	Advances		(34,306,119)	13,622,475
(2,617,678)	542,821	Other assets (excluding advance taxation)		(462,055,167)	95,815,460
(12,674)	94,911	Increase / (decrease) in operating liabilities		(2,237,215)	16,753,091
(611,000)	917,219	Bills payable		(107,849,821)	161,901,520
3,125,126	2,225,179	Borrowings from financial institutions		551,627,008	392,774,221
90,682	10,577	Deposits and other accounts		16,006,633	1,867,053
2,592,134	3,247,886	Other liabilities		457,546,605	573,295,885
445,637	4,234,412			78,661,553	747,431,279
(148,428)	(82,491)	Income tax paid		(26,199,570)	(14,560,805)
297,209	4,151,921	Net cash flows generated from operating activities		52,461,983	732,870,474
748,841	(3,581,707)	CASH FLOWS FROM INVESTING ACTIVITIES		132,180,606	(632,219,576)
(410,767)	(353,458)	Net investment in available-for-sale securities		(72,505,857)	(62,390,077)
(4,860)	8,974	Net investment in held-to-maturity securities		(857,866)	1,584,070
4,213	2,687	Net investment in associates		743,582	474,277
(76,889)	(38,643)	Dividend received		(13,571,964)	(6,821,050)
(17,003)	(10,912)	Investment in fixed assets		(3,001,342)	(1,926,046)
730	1,182	Investment in intangible assets		128,881	208,630
1,224	241	Proceeds from sale of fixed assets		216,000	42,500
30,965	13,440	Proceeds from sale of non-banking assets		5,465,689	2,372,362
276,454	(3,958,196)	Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax		48,797,729	(698,674,910)
		Net cash flows generated from / (used in) investing activities			
482	435	CASH FLOWS FROM FINANCING ACTIVITIES		85,115	76,720
(56,551)	(25)	Effect of translation of net investment by non-controlling interest in subsidiary		(9,982,000)	(4,000)
(8,597)	(16,258)	Repayment of subordinated debt		(1,517,481)	(2,869,791)
(28,971)	(26,981)	Payment of mark-up on subordinated debt		(5,113,819)	(4,762,581)
(61,498)	(20,759)	Payment of lease liability against right-of-use assets		(10,855,155)	(3,664,234)
(155,135)	(63,588)	Dividend paid		(27,383,340)	(11,223,886)
418,528	130,137	Net cash flows used in financing activities		73,876,372	22,971,678
2,394,165	2,287,049	Increase in cash and cash equivalents during the year		422,601,823	403,695,027
52,189	29,165	Cash and cash equivalents at the beginning of the year		9,212,126	5,147,244
2,446,354	2,316,214	Effect of exchange rate changes on cash and cash equivalents		431,813,949	408,842,271
2,864,882	2,446,351	Cash and cash equivalents at the end of the year	34	505,690,321	431,813,949

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1 THE GROUP AND ITS OPERATIONS

1.1 Holding company

Habib Bank Limited, Pakistan

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,648 (2020: 1,659) branches inside Pakistan including 259 (2020: 62) Islamic Banking Branches and 37 (2020: 38) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

1.2 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.

1.3 The Bank has decided to exit its operations in Mauritius and is considering various options regarding the same.

1.4 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.

1.5 Subsidiaries

- Habib Allied Holding Limited – 90.50% shareholding

Habib Allied Holding Limited (HAHL) is a private company incorporated in the United Kingdom with its registered office at 9 Portman Street, London W1H6DZ, UK. HAHL is the holding company of HBL Bank UK Limited.

- HBL Bank UK Limited – 90.50% effective shareholding

HBL Bank UK Limited (HBL UK) is a wholly owned subsidiary of HAHL and is incorporated in the United Kingdom. HBL UK provides a range of commercial banking services to individuals as well as to businesses. The registered office of HBL UK is at 9 Portman Street, London, UK W1H6DZ, UK. HBL UK operates a network of 4 (2020: 4) branches in the UK and 1 (2020: 1) in Switzerland.

- Habib Finance International Limited – (now liquidated)

Habib Finance International Limited (HFIL) had voluntarily surrendered its banking license in 2019 and was under voluntary liquidation. HFIL's final general meeting to conclude the liquidation was held on February 19, 2021 and the company stands formally dissolved as on May 19, 2021. The entire capital has been repatriated to Pakistan.

- HBL Currency Exchange (Private) Limited – 100% shareholding

HBL Currency Exchange (Private) Limited (HCEL) is a private limited company, incorporated in Pakistan. HCEL is licensed by the Securities and Exchange Commission of Pakistan (SECP) to carry out the business of dealing in foreign exchange. The registered office of the company is at Plot No. 49-A, Block-6, PECHS Nursery, Main Shahrah-e-Faisal, Karachi, Pakistan.

- HBL Asset Management Limited – 100% shareholding

HBL Asset Management Limited (HBL AMC) is an unlisted public limited company, incorporated in Pakistan. HBL AMC is licensed by the Securities and Exchange Commission of Pakistan (SECP) to carry out asset management and investment advisory services. The registered office of the company is at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

- HBL Microfinance Bank Limited (formerly The First Microfinance Bank Limited) - 71.43% shareholding

HBL Microfinance Bank Limited (HBL MFB) is a public limited company, incorporated in Pakistan with its registered office at 16th-17th Floor, Habib Bank Tower, Blue Area, Islamabad, Pakistan. HBL MFB was formerly known as FMFB, with the change of name taking effect from January 12, 2022. HBL MFB's principal business is to provide microfinance services to the under-served segments of society as envisaged under the Microfinance Institutions Ordinance, 2001. HBL MFB has 213 (2020: 210) business locations, comprising of branches and Permanent Booths.

During the year, the Bank has subscribed to 200 million Rights shares issued by HBL MFB. Resultantly, the Bank's holding in HBL MFB has increased from 50.51% to 71.43%.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

- Habib Bank Financial Services (Private) Limited – 100% shareholding

Habib Bank Financial Services (Private) Limited is a private limited company, incorporated in Pakistan under the Companies Act, 2017. It is registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas, Islamabad. The registered office of the company is at 1st floor, Bank House No-1, Habib Bank Square, M.A. Jinnah Road, Karachi, Pakistan.

2 BASIS OF PRESENTATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic mode, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

Key financial figures of the Islamic banking branches are disclosed in Annexure I to the unconsolidated financial statements.

The US Dollar amounts shown in these consolidated financial statements are stated solely for information. The statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement as at and for the years ended December 31, 2021 and 2020 have all been converted using an exchange rate of Rupees 176.5135 per US Dollar.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and the financial statements of subsidiaries from the date on which control of the subsidiary by the Group commences until the date control ceases. The financial statements of the subsidiaries are incorporated on a line-by-line basis and the investment held by the Bank is eliminated against the corresponding share capital and pre-acquisition reserve of subsidiaries in the consolidated financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company. However:

- Non-banking subsidiaries in Pakistan follow the requirements of IFRS 7, Financial Instruments: Disclosures, IFRS 9, Financial Instruments or International Accounting Standard (IAS) 39, Financial Instruments: Recognition and Measurement as applicable to these entities, and IAS 40, Investment Property.
- Overseas operations comply with local regulations enforced within their respective jurisdictions.

Material intra-group balances and transactions are eliminated.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control established by contractual agreement. Associates and joint ventures are accounted for using the equity method.

2.3 Statement of compliance

These consolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. These comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The SECP has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' with effect from January 1, 2014. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and accordingly, the Bank prepares financial statements as per the format issued vide BPRD Circular 2 of 2018.

IFRS 10, Consolidated Financial Statements, was notified by the SECP as applicable for accounting periods beginning from January 1, 2015. However, the SECP, through SRO 56(I)/2016 dated January 28, 2016, has directed that the requirement of consolidation under this standard and under Section 228 of the Companies Act, 2017 is not applicable in the case of investments by a bank in mutual funds managed by its own asset management company and established under the trust structure. Therefore, investments by the Bank in mutual funds managed by HBL Asset Management Limited (HBL AMC) are not consolidated, as would otherwise be required under the definition of control specified in IFRS 10.

2.4 Amendments to existing accounting and reporting standards that have become effective in the current year

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 1, 2021. These are considered either to not be relevant or to not have any significant impact on these consolidated financial statements.

2.5 Standards and amendments to existing accounting and reporting standards that are not yet effective.

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed and final implementation guidelines are awaited.

Except for the implementation of IFRS 9 in Pakistan, the Bank expects that adoption of the amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

2.6 Critical accounting estimates

The preparation of consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgement was exercised in the application of accounting policies are as follows:

- i) Classification of investments (note 4.3)
- ii) Valuation and impairment of associates, joint venture and investments (note 4.3)
- iii) Provision against advances (note 4.4.1)
- iv) Valuation and depreciation of fixed assets (note 4.5)
- v) Valuation of right-of-use assets and their related lease liability (note 4.6)
- vi) Valuation and amortization of intangible assets (note 4.7)
- vii) Valuation of non-banking assets acquired in satisfaction of claims (note 4.8)
- viii) Valuation of defined benefit plans (note 4.12)
- ix) Taxation (note 4.15)
- x) Fair value of derivatives (note 4.21)

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

During the year, the Bank has reviewed the useful life of biometric devices which are used for customer verification and are classified as office equipment. This review has resulted in a change in the useful life of these assets. Further, the depreciation method of Ijarah Assets has also been changed from reducing balance to straight line in order to ensure consistency with the Bank's depreciation method for the remainder of its fixed assets. These revisions have been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8. Accordingly, the effect of this change in accounting estimate has been recognised prospectively in the consolidated profit and loss account from the current year. The impact of this change is disclosed in note 10.2.1 and in note 3.1.1 of Annexure I to the unconsolidated financial statements.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for:

- Certain classes of fixed assets and non-banking assets acquired in satisfaction of claims, which are stated at revalued amounts less accumulated depreciation.
- Investments classified as held-for-trading and available-for-sale, which are measured at fair value.
- Derivative financial instruments, including forward foreign exchange contracts, which are measured at fair value.
- Right-of-use assets and their related lease liability, which are measured at their present values.
- Net obligations in respect of defined benefit schemes, which are measured at their present values.

3.2 Functional and presentation currency

These consolidated financial statements are presented in Pakistani rupees, which is the Group's functional currency. Amounts are rounded to the nearest thousand Rupees.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

4.2 Lending / borrowing transactions with financial institutions

The Group enters into transactions of reverse repos and repos at contracted rates for a specified period of time. These are recorded as under:

4.2.1 Purchase under resale agreements (reverse repo)

Securities purchased under agreement to resale are not recognised as investments in the financial statements and the amount extended to the counterparty is included in lendings to financial institutions. The difference between the purchase price and the contracted resale price is accrued on a time proportion basis over the period of the contract and recorded as markup income.

4.2.2 Sale under repurchase agreement (repo)

Securities sold under a repurchase agreement continue to be recognised as investments in the financial statements and the liability to the counterparty is included in borrowings. The difference between the sale price and the contracted repurchase price is accrued on a time proportion basis over the period of the contract and recorded as markup / interest expense.

4.2.3 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

4.3 Investments

The Group classifies its investment portfolio, other than its investments in associates and joint ventures, into the following categories:

Held-for-trading

These are securities included in a portfolio in which a pattern of short-term trading exists, or which are acquired for generating a profit from short-term fluctuations in market prices or interest rate movements. These securities are required to be sold within 90 days from the date of their purchase under normal circumstances.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold till maturity.

Available-for-sale

These are investments, other than investments in associates and joint ventures, that do not fall under the held-for-trading or held-to-maturity categories.

4.3.1 Initial measurement

All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. The trade date is the date on which the Group commits to purchase or sell the investment.

In the case of investments classified as held-for-trading, transaction costs are expensed through the profit and loss account. Transaction costs associated with investments other than those classified as held-for-trading are included in the cost of the investments.

4.3.2 Subsequent measurement

Held-for-trading

Investments classified as held-for-trading are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is taken to the profit and loss account.

Held-to-maturity

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest rate method, less any impairment recognised to reflect irrecoverable amounts.

Available-for-sale

Listed securities classified as available-for-sale are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is recorded in the surplus / deficit on revaluation of securities account (shown as part of equity in the statement of financial position) and is taken to the profit and loss account either when realised upon disposal or when the investment is considered to be impaired.

Unlisted equity securities are carried at the lower of cost and break-up value. The break-up value is calculated with reference to the net assets of the investee company as per its latest available audited financial statements. The Bank may also use unaudited or management accounts to determine if any additional impairment needs to be charged beyond amounts already charged based on audited financial statements. Other unlisted securities are valued at cost less impairment, if any.

4.3.3 Investments in associates and joint ventures

Associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost. The carrying amount is subsequently increased / decreased to recognize the investor's share of the profit and loss / reserves of the investee subsequent to the date of acquisition. The investor's share of the profit and loss of the investee is recognised through the profit and loss account while the share of reserves is recognised through Other Comprehensive Income.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

4.3.4 Impairment

The Group determines that available-for-sale listed equity investments are impaired when there has been a significant or prolonged decline in the fair value of these investments below their cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance and changes in technology. A subsequent increase in the fair value of a previously impaired listed equity security is recorded in the statement of financial position in the surplus / deficit on revaluation of securities account and only recorded through the profit and loss account when realised on disposal.

A decline in the carrying value of unlisted equity securities is charged to the profit and loss account. A subsequent increase in the carrying value, up to the cost of the investment, is credited to the profit and loss account.

Provision for diminution in the value of debt securities is made as per the Prudential Regulations issued by the SBP. Provision against investments by the Group's overseas operations is made as per the requirements of their respective regulatory regimes.

When a debt security, classified as available-for-sale, is considered to be impaired, the balance in the surplus / deficit on revaluation of securities account is transferred to the profit and loss account as an impairment charge. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the profit and loss account.

When a debt security, classified as held-to-maturity, is considered to be impaired, the impairment is directly charged to the profit and loss account as held-to-maturity securities are carried at amortized cost. Any subsequent reversal of an impairment loss, up to the cost of the investment in the debt security is credited to the profit and loss account.

Provision for diminution in the value of other securities is made after considering objective evidence of impairment.

The Group considers that a decline in the recoverable value of its investments in associates and joint ventures below their carrying value may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable amount falls below the carrying value and is charged to the profit and loss account. Any subsequent reversal of an impairment loss, up to the carrying value of the investment in associates and joint ventures, is credited to the profit and loss account.

4.4 Advances

Advances are stated net of specific and general provisions. Provision against advances by the Group's operations in Pakistan is made in accordance with the requirements of the Prudential Regulations. Provision against advances by the Group's overseas operations is made as per the requirements of their respective regulatory regimes. Advances are written off in line with the Bank's policy when there are no realistic prospects of recovery.

In addition, the Group expects that several borrowers may be severely impacted by the COVID-19 pandemic. The potential impact of the economic stress is difficult to predict, as many of such borrowers have availed the SBP enabled deferment / restructuring & rescheduling relief. Hence, management feels that it is appropriate to maintain an additional general provision of up to 1% on the domestic, funded performing credit portfolio excluding:

- Government guaranteed exposure
- Consumer and staff lending
- Exposure secured by cash / near cash collateral

This additional provision is based on management's best estimate. HBL MFB also maintains an additional general provision, based on management's best estimate, in respect of the portion of its microfinance portfolio which has been deferred, restructured or rescheduled under the SBP scheme.

4.4.1 Finance lease receivables

Leases where the Group transfers a substantial portion of the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the lease payments including any guaranteed residual value. The net investment in finance lease is included in advances.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

4.4.2 Islamic financing and related assets

Murabaha financing is a cost plus profit transaction. Funds disbursed for the purchase of goods are recorded as an advance against Murabaha. Once the goods are sold to the customers, the transaction is recorded as financing. Goods purchased by the Bank but remaining unsold are recorded as inventories.

The financing is recorded at the deferred sale price. Profit earned on financing is recognised as unearned income and amortised into the profit and loss account over the term of the Murabaha financing. It is possible for Bank to buy the inventory on customer's behalf and sell it to the customers on spot basis. In this case, the entire profit is recognised immediately in the profit and loss account.

Under Ijarah financing, the Bank transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight line basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount. The Ijarah rental received / receivable is recognised as income on an accrual basis.

Gains or losses on disposal of Ijarah assets are taken to the profit and loss account in the period in which they arise.

Running Musharakah is the economic equivalent of conventional running finance. The Bank and the customer enter a Musharakah (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre-agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

Under Diminishing Musharakah financing, the Bank and the customer create joint beneficial ownerships over tangible assets to fulfill the customer's capital expenditure / project requirements. The Bank receives periodic payments, partly for renting its portion of the assets to the customer and partly for the gradual transfer / sale of its share of ownership to the customer. The rental payment is recognised as profit while the asset transfer / sale payments are applied towards reducing the outstanding principal.

Under Istisna financing, the Bank gives an advance to customers for manufacturing goods and may allow their sale immediately after the goods are manufactured or allow a pre-agreed time to sell the goods on deferred payment basis as the Bank's agent to a third party. Profit is recognised at the time when the goods are sold to the third party. In case of a deferred sale, the profit is recognised on an accrual basis over the term of the financing.

Under Tijarah financing, the Bank purchases finished goods from the customer against payment, takes possession and appoints the customer as an agent to sell these goods to the ultimate buyer, generally on a deferred payment basis. Goods purchased by the Bank and sold by the customer on a deferred payment basis are recognised as financing while goods purchased by the Bank but remaining unsold by the customer are recorded as inventories. Profit on the financing is recognised on an accrual basis over the period of transaction.

Wakalah is an agency contract in which the Bank provides funds to a customer to invest in a Shariah compliant manner. This is recorded as financing and profit is recognised on an accrual basis and is adjusted once the customer declares Wakalah business performance.

Salam is a sale whereby the Bank undertakes to supply some specific commodity (ies) or asset (s) to the customer at a future date in exchange for an advance price fully paid on spot.

Currency Salam is an exchange or sale of a currency with another currency at a future date, at conversion rate within the spot range on the day of such contract execution.

Under Musawamah financing, the Bank purchases the goods and, after taking possession, sells them to the customer at an agreed price without disclosing the cost. Goods purchased by the Bank can either be sold to the customer as a spot transaction or on a deferred payment basis. Goods purchased by the Bank but remaining unsold are recorded as inventories.

4.5 Fixed Assets

Fixed assets are stated at cost, except for land and buildings which are carried at revalued amounts, less any applicable accumulated depreciation and accumulated impairment losses (if any).

Land, capital work-in-progress and works of art are not depreciated. Other items included in fixed assets are depreciated over their expected useful lives using the straight-line method. Depreciation is calculated so as to write down the assets to their residual values over their expected useful lives at the rates specified in note 10.2 to these consolidated financial statements. Depreciation on additions is charged from the month in which the assets are available for use. No depreciation is charged in the month in which the assets are disposed off. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Land and buildings are revalued by independent professionally qualified valuers with sufficient regularity to ensure that their net carrying amount does not differ materially from their fair value. If an asset's carrying value increases as a result of revaluation, such increase or surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. However, if the increase reverses a deficit on the same asset previously recognised in the profit and loss account, such increase is also recognised in the profit and loss account to the extent of the previous deficit and thereafter in the surplus on the revaluation of fixed assets account.

Surplus on revaluation of fixed assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the net asset and the net amount restated at the revalued amount of the asset.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred. Major repairs and renovations that increase the useful life of an asset are capitalised.

Gains or losses arising on the disposal of fixed assets are included in profit and loss account. Surplus on revaluation (net of deferred tax) realised on disposal of fixed assets is transferred directly to unappropriated profit.

4.6 Right-of-use assets and their related lease liability

4.6.1 Right-of-use assets

On initial recognition, right-of-use assets (ROU) are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

ROU assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

ROU are depreciated using the straight-line method from the commencement date of the lease contract to the end of the useful life of the ROU asset or the end of the lease term, whichever is earlier. The estimated useful lives of ROU assets are determined on the same basis as that for owned assets. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

4.6.2 Lease liability against ROU assets

The lease liabilities are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, then at the applicable incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related ROU assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.7 Intangible assets

4.7.1 Intangible assets other than goodwill

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised over their estimated useful lives using the straight-line method. Amortisation is calculated so as to write down the assets to their residual values over their expected useful lives at the rates stated in note 11.1 to these consolidated financial statements. Amortisation on additions is charged from the month in which the assets are available for use. No amortisation is charged in the month in which the assets are disposed off. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Intangible assets which arise from contractual or other legal rights on the acquisition of another entity and are deemed separable are considered as part of the net identifiable assets acquired. These are initially measured at fair value. Intangible assets with a finite useful life are amortized over their expected useful lives. Intangible assets having an indefinite useful life are stated at cost less impairment, if any. Such Intangible assets are tested for impairment annually or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of intangible assets is recognised through the profit and loss account. Any subsequent reversal of an impairment loss, up to the extent of the impairment, is credited to the profit and loss account.

4.7.2 Goodwill

Goodwill arises in a business combination is initially recognised at fair value and subsequently is carried at this amount less any impairment measured. Goodwill is tested for impairment annually or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of goodwill is recognised through the profit and loss account.

4.8 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost and are carried at revalued amount less accumulated depreciation and impairment, if any. These assets revalued with sufficient regularity by professionally qualified valuers to ensure that their net carrying value does not differ materially from fair value.. An increase in market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is adjusted against the surplus of that asset, if any, or if no surplus exists, is charged to the profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the profit and loss account up to the extent of the impairment and thereafter credited to the surplus on revaluation of that asset. All direct costs of acquiring title to the asset are charged immediately to the profit and loss account.

Depreciation on assets acquired in satisfaction of claims is charged to the profit and loss account on the same basis as depreciation charged on the Group's owned fixed assets.

If the recognition of such assets results in a reduction in non-performing loans, such reductions and the corresponding reductions in provisions held against non-performing loans are disclosed separately.

These assets are generally intended for sale. Gains and losses realized on the sale of such assets are disclosed separately from gains and losses realised on the sale of fixed assets. Surplus on revaluation (net of deferred tax) realised on disposal of these assets is transferred directly to unappropriated profit.

However, if such an asset is subsequently used by the Group for its own operations, the asset, along with any related surplus (which remains within the surplus), is transferred to fixed assets.

4.9 Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised as an expense on an accrual basis in the period in which it is incurred.

4.10 Subordinated debt

Subordinated debt is recorded at the amount of proceeds received. Mark-up accrued on subordinated debt is charged to the profit and loss account.

4.11 Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. Acceptances are recognised as a financial liability in the statement of financial position with the contractual right of reimbursement from the customer recognised as a financial asset.

4.12 Employee benefits

The Bank operates a number of post-retirement benefit plans, which include both defined contribution plans and defined benefit plans.

For defined contribution plans, the Bank pays contributions to the fund on a periodic basis, and such amounts are charged to the profit and loss account when the payment obligation is established. The Bank has no further payment obligations once the contributions have been paid.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

For funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations less the fair value of plan assets as at the statement of financial position date. Contributions to the fund are made by the Bank on a periodic basis.

For non-funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations as at the statement of financial position date.

The liability in respect of all obligations under defined benefit schemes is calculated annually by an independent actuary using the Projected Unit Credit Method.

Actuarial gains and losses

Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the profit and loss account. Gains and losses on remeasurement of the liability for compensated absences are recognised in the profit and loss account.

Past Service Cost

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment. The Bank recognises past service cost as an expense when the plan is amended.

Current Service Cost

Current service costs and net interest on defined benefit liability / asset are recognised in the profit and loss account.

4.13 Foreign currency

4.13.1 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into rupees at the rates of exchange prevailing on the date of the statement of financial position. Forward transactions in foreign currencies and foreign bills purchased are translated at forward foreign exchange rates applicable to their respective maturities.

4.13.2 Foreign operations

The assets and liabilities of foreign operations are translated to Pakistani rupees at exchange rates prevailing at the date of the statement of financial position. The income and expenses of foreign operations are translated to Pakistani Rupees at average rates of exchange prevailing during the year.

Goodwill arising on the acquisition of an entity by an overseas subsidiary is treated as an asset of the overseas subsidiary and is translated at foreign exchange rates prevailing as at the date of the statement of financial position.

4.13.3 Translation gains and losses

Gains and losses arising from foreign currency translations are taken to the profit and loss account, except those arising from the translation of the net investment in foreign branches, associates, joint ventures and subsidiaries, which are recognized through the statement of other comprehensive income as an Exchange Translation Reserve (ETR). Balances in the ETR are only taken to the profit and loss account on the disposal of the investment.

4.13.4 Contingencies and Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of statement of financial position.

4.14 Income recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured.

4.14.1 Advances and investments

Income on performing advances and debt securities is recognised on a time proportion basis as per the terms of the contract. Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining maturity of the debt security or the next repricing date using the effective yield method.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Income recoverable on classified advances and investments is recognised on a receipt basis. Income on rescheduled / restructured advances and investments is recognised as permitted by the SBP regulations or by the regulatory authorities of the countries where the Group operates.

4.14.2 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

4.14.3 Fee, Commission and Brokerage Income

Fee, Commission and Brokerage income is recognised on an accrual basis.

4.14.4 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

4.15 Taxation

Income tax expense comprises of the charge for current and prior years and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity.

4.15.1 Current

The charge for current taxation is calculated on taxable income earned during the year from local as well as foreign operations using tax rates enacted as at the date of the statement of financial position.

4.15.2 Prior years

The charge for prior years represents adjustments to the tax charge for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to law, made during the current year.

4.15.3 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deductible temporary differences (deferred tax assets) are temporary differences that are deductible from the taxable income of future periods when the carrying amount of the asset or liability is recovered or settled.

Taxable temporary differences (deferred tax liabilities) are temporary differences that will result in a tax liability in future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax is calculated at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The Bank also records a deferred tax asset / liability on items recognised directly in the statement of other comprehensive income such as surplus / deficit on revaluation of assets and actuarial gains / losses. These items are disclosed net of related deferred tax asset / liability.

Deferred tax assets are reviewed annually for impairment. Where objective evidence exists that the carrying value of a deferred tax asset may not be recoverable, the deferred tax asset is reduced to its recoverable value. The difference between the carrying value and the recoverable value is recognised through the profit and loss account as a deferred tax expense.

4.16 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised through the profit and loss account whenever the recoverable amount of an asset is lower than its carrying amount.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

A subsequent increase in the recoverable value of the asset results in a reversal of the impairment loss through the profit and loss account, up to the original carrying value of the asset, if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.17 Provisions

Provisions are recognised when the Group has present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision for off balance sheet obligations is recognised when intimated and reasonable certainty exists that the Group will settle the obligation. The charge to the profit and loss account is stated net of expected recoveries and the obligation is recognised in other liabilities.

Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.18 Contingent Liabilities

Contingent liabilities are not recognised in the statement of financial position as they are possible obligations where it has yet to be confirmed whether a liability, which will ultimately result in an outflow of economic resources to settle the obligation, will arise. In cases where the probability of an outflow of economic resources is considered remote, it is not disclosed as a contingent liability.

4.19 Off setting

Financial assets and financial liabilities are set-off and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set-off and the Group intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.20 Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain other receivables, bills payable, borrowings, deposits, subordinated debt and certain payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the relevant policy notes.

4.21 Derivative Financial Instruments

Derivative financial assets and liabilities are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair value using appropriate valuation techniques. Derivative financial instruments are carried as an asset when the fair value is positive and as a liability when the fair value is negative. Any change in the fair value of derivative financial instruments is taken directly to the profit and loss account.

4.22 Dividends and appropriation to reserves

Dividends and appropriations to reserves, except where required by law, which are approved subsequent to the date of the statement of financial position are recognised in the year in which these are approved and disclosed as a non-adjusting event after balance sheet date.

4.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is not calculated separately, as the Bank does not have any convertible instruments in issue.

4.24 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing unique products or services (business segment), or in providing products or services within a particular geographic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

4.24.1 Business segments

The Group is managed along the following business lines for monitoring and reporting purposes:

i) *Branch banking*

This segment pertains to the branch distribution network, its related deposit products and general banking services.

ii) *Consumer, SME and rural banking*

This segment pertains to loan products offered to the Consumer, SME and Rural business segments.

iii) *Islamic banking*

This segment pertains to all business lines of the Islamic banking network and includes all Islamic products offered by the bank.

iv) *Corporate, commercial and investment banking*

This segment provides a wide variety of financial products and services to top and medium tier clients, across a wide spectrum of industrial sectors.

v) *International and correspondent banking*

This segment includes the results of all international branches and subsidiaries, correspondent banking business and global remittances.

vi) *Treasury*

This segment includes all treasury related products such as money market, FX and derivatives.

vii) *Asset management*

This segment pertains to HBL Asset Management Limited.

viii) *Microfinance*

This segment pertains to HBL Microfinance Bank Limited.

ix) *Head Office / Others*

This segment includes numbers related to HBL Konnect, Head office functions and HBL Currency Exchange.

4.24.2 Geographical segments

The Group is managed along the following geographic lines for monitoring and reporting purposes:

i) *Pakistan (including KEPZ)*

This includes the domestic operations and HBL's KEPZ branch.

ii) *Middle East and Africa*

This includes UAE, Bahrain, Oman, Lebanon and Mauritius.

iii) *Asia*

This includes Afghanistan, Bangladesh, China, Maldives, Singapore and Sri Lanka.

iv) *Europe*

This includes Belgium, Turkey and United Kingdom (including Switzerland).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		48,996,151	41,262,666
Foreign currencies		5,505,082	16,341,859
		<u>54,501,233</u>	<u>57,604,525</u>
With State Bank of Pakistan in			
Local currency current accounts	5.1	147,418,412	130,745,447
Local currency special deposit account	5.2	2,531,227	-
Foreign currency current accounts	5.3	8,637,953	6,788,327
Foreign currency deposit accounts	5.4	18,104,962	13,768,677
		<u>176,692,554</u>	<u>151,302,451</u>
With other Central Banks in			
Foreign currency current accounts	5.5	58,855,062	47,941,657
Foreign currency deposit accounts	5.6	12,755,756	11,120,595
		<u>71,610,818</u>	<u>59,062,252</u>
With National Bank of Pakistan in			
Local currency current accounts		137,197,419	104,866,634
Local currency deposit account	5.7	948,771	697,247
		<u>138,146,190</u>	<u>105,563,881</u>
National Prize Bonds		301,451	1,747,011
		<u>441,252,246</u>	<u>375,280,120</u>

- 5.1 These represent local currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.2 This represents a local currency deposit account required to be maintained with the SBP under the Government's scheme for Low Cost Housing Finance. This carries mark-up at a rate of 0.00% and is due to mature latest by December 29, 2022.
- 5.3 These represent foreign currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.4 These represent foreign currency deposit accounts maintained under the Special Cash Reserve Requirement of the SBP and foreign currency settlement accounts maintained with the SBP. These carry mark-up at a rate of 0.00% per annum (2020: 0.00% to 0.76% per annum).
- 5.5 These represent balances held with the central banks of the countries in which the Group operates, in accordance with local statutory / regulatory requirements. These include balances in remunerative accounts amounting to Rs 23,272.206 million (2020: Rs 21,164.318 million), which carry mark-up at rates ranging from 0.08% to 0.32% per annum (2020: 0.01% to 0.19% per annum).
- 5.6 These represent balances held with the central banks of the countries in which the Group operates, in accordance with local regulatory requirements. These carry mark-up at rates ranging from 0.00% to 9.50% per annum (2020: 0.00% to 12.00% per annum).
- 5.7 This represents a deposit account maintained with National Bank of Pakistan. This carries mark-up at a rate of 7.25% per annum (2020: 5.00% per annum).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020
6 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		317,534	2,284,347
In deposit accounts	6.1	18,430,779	7,060,497
		18,748,313	9,344,844
Outside Pakistan			
In current accounts	6.2	32,804,685	30,271,581
In deposit accounts	6.3	12,885,077	16,917,404
		45,689,762	47,188,985
		<u>64,438,075</u>	<u>56,533,829</u>

6.1 These carry mark-up at rates ranging from 5.00% to 11.50% per annum (2020: 3.75% to 8.50% per annum).

6.2 This includes an amount of Rs 1,937.318 million (2020: nil) in remunerative current accounts which carry mark-up at rates ranging from 0.01% to 1.20% per annum.

6.3 These carry mark-up at rates ranging from 0.00% to 18.50% per annum (2020: 0.01% to 17.30% per annum).

	Note	2021 (Rupees in '000)	2020
7 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings	7.2	24,600,000	-
Repurchase agreement lendings (reverse repo)	7.3	64,970,746	24,896,835
Bai Muajjal receivable with:			
- State Bank of Pakistan		-	5,257,358
- Other financial institutions	7.4	4,171,686	-
		<u>93,742,432</u>	<u>30,154,193</u>

7.1 Lendings to financial institutions are all in local currency.

7.2 Call money lendings carry mark-up at rates ranging from 9.40% to 10.30% per annum and are due to mature latest by February 18, 2022.

7.3 Repurchase agreement lendings carry mark-up at rates ranging from 9.50% to 10.65% per annum (2020: 6.95% to 7.30% per annum) and are due to mature latest by March 04, 2022.

7.3.1 Securities held as collateral against lendings to financial institutions

	2021			2020		
	Held by Group	Further given as collateral	Total	Held by Group	Further given as collateral	Total
	(Rupees in '000)					
Market Treasury Bills	17,766,592	-	17,766,592	3,959,681	-	3,959,681
Pakistan Investment Bonds	47,204,154	-	47,204,154	20,937,154	-	20,937,154
	<u>64,970,746</u>	<u>-</u>	<u>64,970,746</u>	<u>24,896,835</u>	<u>-</u>	<u>24,896,835</u>

7.3.2 The market value of securities held as collateral against repurchase agreement lendings amounted to Rs 64,982.010 million (2020: Rs 25,026.011 million).

7.4 Bai Muajjal receivables with other financial institutions carry profit at 7.35% per annum and are due to mature latest by January 28, 2022.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

8	INVESTMENTS	Note	2021				2020			
			Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.1	Investments by type		(Rupees in '000)							
	Held-for-trading (HFT) securities									
	Federal Government securities									
	- Market Treasury Bills	8.3	111,592,255	-	(31,517)	111,560,738	105,568,935	-	(13,658)	105,555,277
	- Pakistan Investment Bonds		92,201,740	-	110,414	92,312,154	25,655,331	-	19,066	25,674,397
	Shares									
	- Listed companies		332,860	-	(24,270)	308,590	137,682	-	8,542	146,224
	Foreign securities									
	- Government debt securities		316,867	-	12,619	329,486	102,884	-	23,578	126,462
			204,443,722	-	67,246	204,510,968	131,464,832	-	37,528	131,502,360
	Available-for-sale (AFS) securities									
	Federal Government securities									
	- Market Treasury Bills	8.3 & 8.6	279,633,112	-	108,423	279,741,535	525,077,889	-	1,445,950	526,523,839
	- Pakistan Investment Bonds	8.3	806,059,810	-	(4,943,247)	801,116,563	784,493,994	-	10,689,727	795,183,721
	- Ijarah Sukuks		119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
	- Government of Pakistan US Dollar Bonds		16,378,045	(347,350)	438,586	16,469,281	10,410,050	(392,763)	645,468	10,662,755
	- Government of Pakistan US Dollar Sukuks		-	-	-	-	706,395	(20,567)	49,222	735,050
	- Other Federal Government securities		1,016,120	-	-	1,016,120	530,538	-	-	530,538
	Shares									
	- Listed companies		8,170,830	(1,962,154)	427,255	6,635,931	7,975,054	(2,983,143)	846,869	5,838,780
	- Unlisted companies		5,372,623	(91,009)	-	5,281,614	4,899,328	(87,125)	-	4,812,203
	Non-Government debt securities									
	- Listed		51,499,951	(78,236)	638,300	52,060,015	46,943,545	-	321,860	47,265,405
	- Unlisted		1,648,381	(247,381)	24,000	1,425,000	1,671,878	(270,877)	22,500	1,423,501
	Foreign securities									
	- Government debt securities		75,032,225	(288,791)	111,104	74,854,538	45,617,541	(565,331)	(10,504)	45,041,706
	- Non-Government debt securities - Listed		13,972,530	(966,629)	61,692	13,067,593	14,601,331	(927,366)	76,457	13,750,422
	- Equity securities - Unlisted		6,318	(156)	-	6,162	5,913	(321)	-	5,592
	National Investment Unit Trust units		11,113	-	35,335	46,448	11,113	-	35,726	46,839
	Real Estate Investment Trust units		55,000	-	5,800	60,800	55,000	-	(2,000)	53,000
	Preference shares									
	- Listed		744,400	-	80,500	824,900	744,400	-	155,400	899,800
	- Unlisted		176,985	(150,075)	-	26,910	-	-	-	-
			1,379,395,410	(4,131,781)	(3,549,393)	1,371,714,236	1,511,422,564	(5,247,493)	13,954,030	1,520,129,101
	Held-to-maturity (HTM) securities	8.7								
	Federal Government securities									
	- Market Treasury Bills		397,178	-	-	397,178	292,316	-	-	292,316
	- Pakistan Investment Bonds	8.3, 8.4 & 8.5	285,685,656	-	-	285,685,656	216,844,554	-	-	216,844,554
	- Other Federal Government securities		10,794,000	-	-	10,794,000	10,794,000	-	-	10,794,000
	Non-Government debt securities									
	- Listed		2,365,422	-	-	2,365,422	4,277,922	-	-	4,277,922
	- Unlisted		22,851,835	-	-	22,851,835	17,826,657	-	-	17,826,657
	Foreign Securities									
	- Government debt securities		14,672,889	-	-	14,672,889	13,617,545	(13)	-	13,617,532
	- Non-Government debt securities									
	- Listed		285,954	(25,061)	-	260,893	1,197,341	(14,650)	-	1,182,691
	- Unlisted		616,100	(1,559)	-	614,541	312,842	(1,516)	-	311,326
			337,669,034	(26,620)	-	337,642,414	265,163,177	(16,179)	-	265,146,998
	Investments in associates and joint venture	8.2.1 & 8.13	35,185,545	-	(97,185)	35,088,360	31,742,084	-	56,279	31,798,363
	Total Investments		<u>1,956,693,711</u>	<u>(4,158,401)</u>	<u>(3,579,332)</u>	<u>1,948,955,978</u>	<u>1,939,792,657</u>	<u>(5,263,672)</u>	<u>14,047,837</u>	<u>1,948,576,822</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note	2021				2020			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.2 Investments by segments								
Federal Government securities								
Market Treasury Bills	391,622,545	-	76,906	391,699,451	630,939,140	-	1,432,292	632,371,432
Pakistan Investment Bonds	1,183,947,206	-	(4,832,833)	1,179,114,373	1,026,993,879	-	10,708,793	1,037,702,672
Ijarah Sukuks	119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
Government of Pakistan US Dollar Bonds	16,378,045	(347,350)	438,586	16,469,281	10,410,050	(392,763)	645,468	10,662,755
Government of Pakistan US Dollar Sukuks	-	-	-	-	706,395	(20,567)	49,222	735,050
Other Federal Government securities	11,810,120	-	-	11,810,120	11,324,538	-	-	11,324,538
	1,723,375,883	(347,350)	(4,854,482)	1,718,174,051	1,748,052,597	(413,330)	12,513,130	1,760,152,397
Shares								
Listed companies	8,503,690	(1,962,154)	402,985	6,944,521	8,112,736	(2,983,143)	855,411	5,985,004
Unlisted companies	5,372,623	(91,009)	-	5,281,614	4,899,328	(87,125)	-	4,812,203
	13,876,313	(2,053,163)	402,985	12,226,135	13,012,064	(3,070,268)	855,411	10,797,207
Non-Government debt securities								
Listed	53,865,373	(78,236)	638,300	54,425,437	51,221,467	-	321,860	51,543,327
Unlisted	24,500,216	(247,381)	24,000	24,276,835	19,498,535	(270,877)	22,500	19,250,158
	78,365,589	(325,617)	662,300	78,702,272	70,720,002	(270,877)	344,360	70,793,485
Foreign securities								
Government debt securities	90,021,981	(288,791)	123,723	89,856,913	59,337,970	(565,344)	13,074	58,785,700
Non-Government debt securities								
Listed	14,258,484	(991,690)	61,692	13,328,486	15,798,672	(942,016)	76,457	14,933,113
Unlisted	616,100	(1,559)	-	614,541	312,842	(1,516)	-	311,326
Equity securities - Unlisted	6,318	(156)	-	6,162	5,913	(321)	-	5,592
	104,902,883	(1,282,196)	185,415	103,806,102	75,455,397	(1,509,197)	89,531	74,035,731
National Investment Unit Trust units	11,113	-	35,335	46,448	11,113	-	35,726	46,839
Real Estate Investment Trust units	55,000	-	5,800	60,800	55,000	-	(2,000)	53,000
Preference shares								
- Listed	744,400	-	80,500	824,900	744,400	-	155,400	899,800
- Unlisted	176,985	(150,075)	-	26,910	-	-	-	-
Investments in associates and joint venture								
Diamond Trust Bank Kenya Limited	17,605,819	-	(64,973)	17,540,846	15,353,094	-	(62,532)	15,290,562
Himalayan Bank Limited, Nepal	6,296,106	-	1,808	6,297,914	5,053,848	-	(6,805)	5,047,043
Kyrgyz Investment and Credit Bank, Kyrgyz Republic	2,404,885	-	-	2,404,885	2,083,544	-	-	2,083,544
Jubilee General Insurance Company Limited	3,313,616	-	39,323	3,352,939	3,116,085	-	114,185	3,230,270
Jubilee Life Insurance Company Limited	2,424,725	-	(15,824)	2,408,901	2,292,854	-	5,718	2,298,572
HBL Cash Fund	29,958	-	-	29,958	302,279	-	-	302,279
HBL Energy Fund	204,320	-	-	204,320	223,898	-	-	223,898
HBL Equity Fund	546,404	-	-	546,404	128,085	-	-	128,085
HBL Income Fund	233,235	-	-	233,235	224,634	-	-	224,634
HBL Islamic Asset Allocation Fund	152,215	-	-	152,215	156,744	-	-	156,744
HBL Islamic Equity Fund	-	-	-	-	30,624	-	-	30,624
HBL Islamic Money Market Fund	-	-	-	-	127,557	-	-	127,557
HBL Islamic Pension Fund - Equity Sub Fund	54,242	-	-	54,242	55,789	-	-	55,789
HBL Islamic Stock Fund	272,461	-	-	272,461	297,457	-	-	297,457
HBL Money Market Fund	441,133	-	-	441,133	435,488	-	-	435,488
HBL Multi Asset Fund	88,166	-	-	88,166	89,564	-	-	89,564
HBL Pension Fund - Equity Sub Fund	77,241	-	-	77,241	81,245	-	-	81,245
HBL Stock Fund	242,375	-	-	242,375	896,170	-	-	896,170
HBL FPF Conservative Allocation Plan	19,922	-	-	19,922	-	-	-	-
HBL Investment Fund Class A	353,326	-	(57,519)	295,807	333,967	-	5,713	339,680
HBL Investment Fund Class B	425,396	-	-	425,396	459,158	-	-	459,158
8.2.1	35,185,545	-	(97,185)	35,088,360	31,742,084	-	56,279	31,798,363
Total Investments	1,956,693,711	(4,158,401)	(3,579,332)	1,948,955,978	1,939,792,657	(5,263,672)	14,047,837	1,948,576,822

8.2.1 This represents the Group's share of surplus on investments held by these entities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

		2021	2020
		(Rupees in '000)	
8.2.2	Investments given as collateral		
The market value of investments given as collateral against borrowings is as follows:			
Federal Government securities			
	- Market Treasury Bills	980,924	113,807,278
	- Pakistan Investment Bonds	139,564,697	207,400,499
		<u>140,545,621</u>	<u>321,207,777</u>
8.3	Investments include securities amounting to Rs 447,617.323 million (2020: Rs 405,618.042 million) which are held to comply with the SBP's statutory liquidity requirements as set out under section 29 of the Banking Companies Ordinance, 1962.		
8.4	Investments include Rs 227.500 million (2020: Rs 227.500 million) pledged with the SBP against TT/DD discounting facilities and demand loan facilities.		
8.5	Investments include Rs 10.000 million (2020: Rs 10.000 million) pledged with the Controller of Military Accounts against Regimental Fund accounts being maintained at various branches of the Bank.		
8.6	Investments include Rs 200.000 million (2020:nil) pledged with the National Clearing Company of Pakistan against trading margin.		
8.7	The market value of investments classified as held-to-maturity amounted to Rs 322,811.037 million (2020: Rs 267,655.188 million).		
8.8	Particulars of provision held against diminution in the value of investments	2021	2020
		(Rupees in '000)	
	Opening balance	5,263,672	5,504,910
	Exchange adjustments	153,452	68,085
	(Reversal) / charge		
	Charge for the year	512,131	1,400,035
	Reversal for the year	(452,697)	(15,065)
	Reversal on disposal during the year	(1,318,157)	(1,694,293)
	Net reversal	(1,258,723)	(309,323)
	Closing balance	<u>4,158,401</u>	<u>5,263,672</u>
8.9	Particulars of provision against debt securities		
		2021	2020
		Non-Performing Investments	Non-Performing Investments
		Provision	Provision
	Category of classification	(Rupees in '000)	
	Domestic		
	Loss	247,381	270,877
	Overseas		
	Overdue by:		
	181 to 365 days	-	878,616
	>365	929,609	-
		<u>1,176,990</u>	<u>1,149,493</u>
8.9.1	In addition to the above, overseas branches hold a provision of Rs 778.017 million (2020: Rs 1,043.590 million) against investments in accordance with the ECL requirements of IFRS 9.		
8.10	Quality of available-for-sale securities		
Details regarding the quality of AFS securities are as follows:			
		2021	2020
		Cost / amortised cost	
		(Rupees in '000)	
	Federal Government securities - Government guaranteed		
	Market Treasury Bills	279,633,112	525,077,889
	Pakistan Investment Bonds	806,059,810	784,493,994
	Ijarah Sukuks	119,617,967	67,678,595
	Government of Pakistan US Dollar Bonds	16,378,045	10,410,050
	Government of Pakistan US Dollar Sukuks	-	706,395
	Other Federal Government securities - Islamic Naya Pakistan Certificates	1,016,120	530,538
		<u>1,222,705,054</u>	<u>1,388,897,461</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Shares	2021	2020
	Cost	
	(Rupees in '000)	
Listed companies		
Automobile Assembler	394,154	191,695
Automobile Parts and Accessories	85,167	21,569
Cement	516,871	503,103
Chemicals	264,588	247,328
Commercial Banks	1,498,440	796,397
Engineering	225,164	5,162
Fertilizer	1,259,527	1,128,380
Food and Personal Care Products	45,306	-
Insurance	88,601	138,635
Investment Banks / Investment Companies / Securities Companies	1,122,315	1,122,067
Oil and Gas Exploration Companies	864,273	538,717
Oil and Gas Marketing Companies	279,329	334,450
Pharmaceuticals	158,935	182,117
Power Generation and Distribution	741,212	2,217,903
Technology and Communication	46,026	133,405
Textile Composite	420,279	414,126
Transport	38,127	-
Miscellaneous	122,516	-
	<u>8,170,830</u>	<u>7,975,054</u>

	2021		2020	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
Unlisted companies				
Central Depository Company of Pakistan Limited	256,347	774,341	256,347	741,556
Engro Powergen Thar (Private) Limited	2,086,591	5,880,911	2,086,591	3,158,884
Sindh Engro Coal Mining Company Limited	2,267,346	4,553,223	1,888,274	2,865,390
Pakistan Mortgage Refinance Company Limited	500,000	879,382	500,000	810,616
First Women Bank Limited	63,300	203,928	63,300	203,928
SME Bank Limited	13,474	(31,898)	13,474	(9,778)
National Institutional Facilitation Technologies (Private) Limited	1,527	61,903	1,527	51,998
National Investment Trust Limited	100	1,003,283	100	857,153
Pak Agriculture Storage and Services Corporation Limited	5,500	3,448,615	5,500	2,725,903
Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T)	3,152	34,534	4,929	48,385
Naymat Collateral Management Company Limited	29,286	21,021	29,286	25,491
1 LINK (Private) Limited	50,000	312,706	50,000	165,767
Pakistan Credit Restructuring Company Limited	96,000	90,048	-	-
	<u>5,372,623</u>	<u>17,231,997</u>	<u>4,899,328</u>	<u>11,645,293</u>

8.10.1 The breakup value of unlisted companies is calculated using the latest available financial statements as described in note 4.3.2.

Non-Government debt securities	2021	2020
	Cost / amortised cost	
	(Rupees in '000)	
Listed		
AA+, AA, AA-	46,450,000	6,450,000
A+, A, A-	493,545	493,545
B+, B, B-	3,556,406	-
Unrated	1,000,000	40,000,000
	<u>51,499,951</u>	<u>46,943,545</u>
Unlisted		
AAA	351,000	-
AA+, AA, AA-	1,050,000	1,401,001
Unrated	247,381	270,877
	<u>1,648,381</u>	<u>1,671,878</u>
	<u>53,148,332</u>	<u>48,615,423</u>

8.10.2 This includes listed non-Government debt securities amounting to Rs 41 billion (2020: 40 billion) guaranteed by the Government.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Foreign securities

	2021		2020	
	Cost / amortised cost (Rupees in '000)	Rating	Cost / amortised cost (Rupees in '000)	Rating
Government debt securities				
Bahrain	9,902,572	B2 , B+	6,230,488	B2
Egypt	4,048,872	B2 , B+	2,944,771	B2
Indonesia	34,665	Baa2	31,360	Baa2
Kenya	1,844,430	B2	1,245,335	B2
	19,491,121	B+ , CCC+ and below	12,747,974	
Maldives				B+ , B3
Mauritius	4,985,792	Baa1 , Baa3	5,129,373	Baa1
Netherlands	-	-	1,531,719	Aaa
Oman	6,983,280	Ba3 , BB-	3,582,345	Ba3 , BB-
Singapore	3,135,166	AAA	2,298,258	Aaa
South Africa	584,325	Ba2	-	-
Sri Lanka	6,026,660	CCC+ and below	6,124,854	CCC+ and below
Turkey	-	-	863,161	B2
United Arab Emirates	3,843,944	Aa2 , B2	-	
United States of America	14,151,398	AAA , Ba3	2,887,903	Aaa
	<u>75,032,225</u>		<u>45,617,541</u>	

Non-Government debt securities

	2021	2020
	Cost / amortised cost (Rupees in '000)	Cost / amortised cost (Rupees in '000)
Listed		
AAA	3,122,758	5,198,402
AA+, AA, AA-	884,574	2,065,929
A+, A, A-	-	801,529
BBB+, BBB, BBB-	2,826,214	2,027,105
BB+, BB, BB-	3,663,699	2,824,657
B+, B, B-	1,354,216	805,093
Unrated	2,121,069	878,616
	<u>13,972,530</u>	<u>14,601,331</u>

Equity securities - Unlisted

	2021		2020	
	Cost	Breakup value	Cost	Breakup value
(Rupees in '000)				
The Benefit Company, Bahrain	3,746	26,447	3,392	23,661
Credit Information Bureau, Sri Lanka	70	14,687	69	14,387
LankaClear (Private) Limited, Sri Lanka	437	8,860	429	644
SME Equity Fund Limited, Mauritius	2,065	1,909	2,023	1,703
	<u>6,318</u>	<u>51,903</u>	<u>5,913</u>	<u>40,395</u>

	2021	2020
	Cost (Rupees in '000)	Cost (Rupees in '000)
National Investment Unit Trust Units- Listed	<u>11,113</u>	<u>11,113</u>
Real Estate Investment Trust units - Listed	<u>55,000</u>	<u>55,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

		2021		2020	
		Cost		Cost	
		(Rupees in '000)		(Rupees in '000)	
Preference shares - Listed					
Chemicals		700,000		700,000	
Textile Composite		44,400		44,400	
		744,400		744,400	
Preference shares - Unlisted					
		2021		2020	
		Cost	Breakup value	Cost	Breakup value
		(Rupees in '000)			
Finja Inc		176,985	26,910	-	-
8.11	Particulars of held-to-maturity securities are as follows:			2021	2020
		Cost / amortised cost			
		(Rupees in '000)			
Federal Government securities - Government guaranteed					
Market Treasury Bills		397,178		292,316	
Pakistan Investment Bonds		285,685,656		216,844,554	
Other Federal Government securities - Bai Muajjal with Government of Pakistan		10,794,000		10,794,000	
		296,876,834		227,930,870	
Non-Government debt securities					
Listed					
AAA		1,000,000		-	
AA+, AA, AA-		881,636		2,098,083	
A+, A, A-		483,786		2,179,839	
		2,365,422		4,277,922	
Unlisted					
AAA		14,367,227		9,944,438	
AA+, AA, AA-		4,652,708		149,850	
A+, A, A-		1,075,000		2,901,689	
Unrated		2,756,900		4,830,680	
		22,851,835		17,826,657	
Foreign securities		2021		2020	
		Cost /		Cost /	
		amortised	Rating	amortised	Rating
		cost		cost	
		(Rupees in '000)		(Rupees in '000)	
Government debt securities					
Bahrain		942,978	B2	857,719	B2
Bangladesh		9,201,113	Ba3	8,015,727	Ba3
Oman		2,464,286	BB-	2,239,515	BB-
Sri Lanka		2,064,512	CCC+ and below	2,504,584	CCC+ and below
		14,672,889		13,617,545	
Non-Government debt securities					
		2021		2020	
		Cost / amortised cost		Cost / amortised cost	
		(Rupees in '000)		(Rupees in '000)	
Listed					
BBB+, BBB, BBB-		-		800,202	
Unrated		285,954		397,139	
		285,954		1,197,341	
Unlisted					
A+, A, A-		616,100		312,842	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

8.12 Summary of financial information of associates and joint venture

2021								
	Based on the annual / interim financial statements as on	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total compre- hensive income / (loss)
------(Rupees in '000)-----								
Diamond Trust Bank Kenya Limited	September 30, 2021	Kenya	16.15%	678,549,291	562,179,237	57,206,890	6,017,880	7,526,089
Himalayan Bank Limited	October 17, 2021	Nepal	20.00%	283,389,638	251,046,954	17,475,451	4,427,888	4,481,822
Kyrgyz Investment and Credit Bank	December 31, 2021	Kyrgyzstan	18.00%	78,046,080	65,156,266	5,286,272	577,934	577,934
Jubilee General Insurance Company Limited	September 30, 2021	Pakistan	19.80%	26,220,342	17,095,863	7,232,221	1,690,914	1,314,157
Jubilee Life Insurance Company Limited	September 30, 2021	Pakistan	18.52%	189,325,733	176,813,548	91,328,256	2,134,247	2,035,682
HBL Cash Fund	December 31, 2021	Pakistan	0.07%	52,692,219	9,180,221	2,367,337	2,311,724	2,311,724
HBL Energy Fund	December 31, 2021	Pakistan	33.74%	629,815	24,173	(44,284)	(72,031)	(72,031)
HBL Equity Fund	December 31, 2021	Pakistan	34.73%	1,692,510	119,341	(282,179)	(357,896)	(357,896)
HBL Income Fund	December 31, 2021	Pakistan	6.09%	3,868,048	39,870	301,615	263,243	263,243
HBL Islamic Asset Allocation Fund	December 31, 2021	Pakistan	41.09%	373,545	3,134	19,737	12,564	12,564
HBL Islamic Equity Fund	December 31, 2021	Pakistan	0.00%	326,030	45,954	(47,215)	(64,805)	(64,805)
HBL Islamic Money Market Fund	December 31, 2021	Pakistan	0.00%	8,760,182	20,030	605,341	585,012	585,012
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	30.26%	180,706	1,459	(5,294)	(9,974)	(9,974)
HBL Islamic Stock Fund	December 31, 2021	Pakistan	42.55%	659,403	19,134	(38,985)	(66,014)	(66,014)
HBL Money Market Fund	December 31, 2021	Pakistan	2.54%	21,794,347	4,427,380	1,035,022	1,005,047	1,005,047
HBL Multi Asset Fund	December 31, 2021	Pakistan	44.34%	206,605	7,768	3,640	756	756
HBL Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	39.28%	197,817	1,180	(8,009)	(13,415)	(13,415)
HBL Stock Fund	December 31, 2021	Pakistan	46.23%	575,694	51,369	(12,722)	(38,655)	(38,655)
HBL FPF Conservative Allocation Plan	December 31, 2021	Pakistan	27.58%	72,326	84	2,050	1,728	1,728
HBL Investment Fund Class A	December 31, 2021	Pakistan	17.13%	2,119,110	5,105	174,306	113,028	276,157
HBL Investment Fund Class B	December 31, 2021	Pakistan	36.81%	1,307,720	152,089	(55,577)	(88,749)	(88,749)
2020								
	Based on the annual / interim financial statements as on	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total compre- hensive income / (loss)
------(Rupees in '000)-----								
Diamond Trust Bank Kenya Limited	September 30, 2020	Kenya	16.15%	577,158,999	475,952,921	58,448,347	8,341,208	8,493,901
Himalayan Bank Limited	October 16, 2020	Nepal	20.00%	222,658,643	196,545,825	18,479,419	3,037,726	3,080,635
Kyrgyz Investment and Credit Bank	December 31, 2020	Kyrgyzstan	18.00%	66,376,927	55,272,117	5,617,052	833,183	833,183
Jubilee General Insurance Company Limited	September 30, 2020	Pakistan	19.80%	26,220,342	17,095,863	7,414,086	1,659,669	2,083,273
Jubilee Life Insurance Company Limited	September 30, 2020	Pakistan	18.52%	184,379,051	172,462,696	75,021,278	2,631,376	2,689,081
HBL Cash Fund	December 31, 2020	Pakistan	1.08%	28,209,727	122,250	1,768,747	1,634,300	1,634,300
HBL Energy Fund	December 31, 2020	Pakistan	30.71%	785,786	56,637	(80,123)	(112,630)	(112,630)
HBL Equity Fund	December 31, 2020	Pakistan	11.66%	1,206,117	107,429	146,918	115,700	115,700
HBL Income Fund	December 31, 2020	Pakistan	8.98%	2,571,148	70,075	214,808	172,522	172,522
HBL Islamic Asset Allocation Fund	December 31, 2020	Pakistan	41.38%	388,749	9,981	26,101	12,063	12,063
HBL Islamic Equity Fund	December 31, 2020	Pakistan	8.59%	401,328	44,821	16,316	2,188	2,188
HBL Islamic Money Market Fund	December 31, 2020	Pakistan	1.80%	7,130,081	29,338	478,626	434,701	434,701
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2020	Pakistan	35.04%	163,667	4,438	17,672	13,883	13,883
HBL Islamic Stock Fund	December 31, 2020	Pakistan	38.96%	796,529	33,097	46,454	17,299	17,299
HBL Money Market Fund	December 31, 2020	Pakistan	2.56%	17,122,226	116,747	1,055,019	946,815	946,815
HBL Multi Asset Fund	December 31, 2020	Pakistan	44.74%	213,213	13,037	14,284	6,500	6,500
HBL Pension Fund - Equity Sub Fund	December 31, 2020	Pakistan	38.00%	217,738	3,930	18,056	12,062	12,062
HBL Stock Fund	December 31, 2020	Pakistan	41.15%	2,304,226	126,190	(2,747)	(90,621)	(90,621)
HBL Investment Fund Class A	December 31, 2020	Pakistan	17.13%	2,385,054	18,853	13,653	(68,621)	94,508
HBL Investment Fund Class B	December 31, 2020	Pakistan	33.71%	1,560,869	198,738	20,031	(34,839)	(34,839)

8.12.1 The Group has significant influence in Diamond Trust Bank Kenya Limited, Kyrgyz Investment and Credit Bank, Jubilee General Insurance Company Limited and Jubilee Life Insurance Company Limited because of Parent's holding in these entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

		2021								
8.13	Investment in associates and Joint venture	Opening balance	Investment made	Investment redeemed	Share of profit / (loss) - net of tax	Movement in share of surplus / deficit on investments - net of tax	Share of other comprehensive income / (loss) - net of tax	Exchange translation impact	Dividend received	Closing balance
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	Diamond Trust Bank Kenya Limited	15,290,562	-	-	971,976	(2,441)	246,039	1,034,710	-	17,540,846
	Himalayan Bank Limited, Nepal	5,047,043	-	-	885,578	8,613	2,174	499,687	(145,181)	6,297,914
	Kyrgyz Investment and Credit Bank, Kyrgyz Republic	2,083,544	-	-	104,028	-	-	217,313	-	2,404,885
	Jubilee General Insurance Company Limited	3,230,270	-	-	334,858	(74,862)	251	-	(137,578)	3,352,939
	Jubilee Life Insurance Company Limited	2,298,572	-	-	395,199	(21,542)	3,291	-	(266,619)	2,408,901
	HBL Cash Fund	302,279	442,146	(715,099)	8,169	-	-	-	(7,537)	29,958
	HBL Energy Fund	223,898	-	-	(19,578)	-	-	-	-	204,320
	HBL Equity Fund	128,085	675,000	(146,666)	(110,015)	-	-	-	-	546,404
	HBL Income Fund	224,634	-	-	19,401	-	-	-	(10,800)	233,235
	HBL Islamic Asset Allocation Fund	156,744	-	(5,947)	5,209	-	-	-	(3,791)	152,215
	HBL Islamic Equity Fund	30,624	-	(30,810)	186	-	-	-	-	-
	HBL Islamic Money Market Fund	127,557	126,031	(253,653)	7,780	-	-	-	(7,715)	-
	HBL Islamic Pension Fund - Equity Sub Fund	55,789	-	-	(1,547)	-	-	-	-	54,242
	HBL Islamic Stock Fund	297,457	-	-	(24,996)	-	-	-	-	272,461
	HBL Money Market Fund	435,488	5,000	(5,127)	33,557	-	-	-	(27,785)	441,133
	HBL Multi Asset Fund	89,564	-	-	289	-	-	-	(1,687)	88,166
	HBL Pension Fund - Equity Sub Fund	81,245	-	-	(4,004)	-	-	-	-	77,241
	HBL Stock Fund	896,170	11,000	(661,611)	(3,184)	-	-	-	-	242,375
	HBL IFPF Active Allocation Plan	-	21,611	(18,617)	(2,994)	-	-	-	-	-
	HBL IFPF Conservative Allocation Plan	-	55,000	(55,165)	165	-	-	-	-	-
	HBL FPF Conservative Allocation Plan	-	20,000	-	(78)	-	-	-	-	19,922
	HBL Investment Fund Class A	339,680	-	-	19,358	(63,231)	-	-	-	295,807
	HBL Investment Fund Class B	459,158	-	-	(33,762)	-	-	-	-	425,396
		<u>31,798,363</u>	<u>1,355,788</u>	<u>(1,892,695)</u>	<u>2,585,595</u>	<u>(153,463)</u>	<u>251,755</u>	<u>1,751,710</u>	<u>(608,693)</u>	<u>35,088,360</u>
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2020										
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	Investment in associates and Joint venture	Opening balance	Investment made	Investment redeemed	Share of profit / (loss) - net of tax	Movement in share of surplus / deficit on investments - net of tax	Share of other comprehensive income / (loss) - net of tax	Exchange translation impact	Dividend received	Closing balance
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	Diamond Trust Bank Kenya Limited	14,745,212	-	-	1,347,227	(69,927)	94,589	(639,709)	(186,830)	15,290,562
	Himalayan Bank Limited, Nepal	4,897,973	-	-	607,545	3,232	5,351	51,909	(518,967)	5,047,043
	Kyrgyz Investment and Credit Bank, Kyrgyz Republic	1,867,678	-	-	149,973	-	-	65,893	-	2,083,544
	Jubilee General Insurance Company Limited	2,924,915	-	-	328,671	88,957	(5,069)	-	(107,204)	3,230,270
	Jubilee Life Insurance Company Limited	2,047,420	-	-	487,254	7,139	3,546	-	(246,787)	2,298,572
	HBL Cash Fund	55,907	1,261,352	(1,019,751)	13,297	-	-	-	(8,526)	302,279
	HBL Energy Fund	307,632	-	(50,726)	(33,008)	-	-	-	-	223,898
	HBL Equity Fund	-	377,395	(258,411)	9,101	-	-	-	-	128,085
	HBL Growth Fund - Class B	-	81,079	(75,243)	(5,836)	-	-	-	-	-
	HBL Income Fund	223,994	-	-	24,640	-	-	-	(24,000)	224,634
	HBL Islamic Asset Allocation Fund	210,927	-	(50,000)	4,592	-	-	-	(8,775)	156,744
	HBL Islamic Equity Fund	97,356	55,000	(126,920)	5,188	-	-	-	-	30,624
	HBL Islamic Money Market Fund	228,902	70,549	(171,135)	17,279	-	-	-	(18,038)	127,557
	HBL Islamic Pension Fund - Equity Sub Fund	51,303	-	-	4,486	-	-	-	-	55,789
	HBL Islamic Stock Fund	280,905	100,000	(93,160)	10,525	-	-	-	(813)	297,457
	HBL Money Market Fund	475,932	153,297	(185,074)	42,786	-	-	-	(51,453)	435,488
	HBL Multi Asset Fund	91,141	-	-	1,385	-	-	-	(2,962)	89,564
	HBL Pension Fund - Equity Sub Fund	78,139	-	-	3,106	-	-	-	-	81,245
	HBL Stock Fund	968,613	50,000	(93,669)	(28,774)	-	-	-	-	896,170
	HBL Investment Fund Class A	323,494	-	-	(11,753)	27,939	-	-	-	339,680
	HBL Investment Fund Class B	484,560	70,000	(67,669)	(14,594)	-	-	-	(13,139)	459,158
		<u>30,362,003</u>	<u>2,218,672</u>	<u>(2,191,758)</u>	<u>2,963,090</u>	<u>57,340</u>	<u>98,417</u>	<u>(521,907)</u>	<u>(1,187,494)</u>	<u>31,798,363</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

9	ADVANCES	Note	Performing		Non - performing		Total	
			2021	2020	2021	2020	2021	2020
			(Rupees in '000)					
	Loans, cash credits, running finances, etc.	9.1	1,222,815,080	1,002,683,523	74,944,865	76,761,340	1,297,759,945	1,079,444,863
	Islamic financing and related assets	9.2	166,754,863	154,081,348	337,317	337,107	167,092,180	154,418,455
	Bills discounted and purchased		120,442,187	66,540,022	5,606,279	5,005,929	126,048,466	71,545,951
	Advances - gross		1,510,012,130	1,223,304,893	80,888,461	82,104,376	1,590,900,591	1,305,409,269
	Provision against advances							
	- Specific	9.5	-	-	(72,845,186)	(70,835,763)	(72,845,186)	(70,835,763)
	- General		(11,008,308)	(11,063,284)	-	-	(11,008,308)	(11,063,284)
			(11,008,308)	(11,063,284)	(72,845,186)	(70,835,763)	(83,853,494)	(81,899,047)
	Advances - net of provision		1,499,003,822	1,212,241,609	8,043,275	11,268,613	1,507,047,097	1,223,510,222

9.1 This includes net investment in finance lease as disclosed below:

	2021				2020			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
(Rupees in '000)								
Total minimum lease payments	1,836,268	26,623,340	24,570,974	53,030,582	2,071,145	18,344,618	16,886,606	37,302,369
Financial charges for future periods	(286,458)	(4,363,882)	(6,435,784)	(11,086,124)	(206,620)	(3,144,813)	(4,560,644)	(7,912,077)
Net investment in finance lease	1,549,810	22,259,458	18,135,190	41,944,458	1,864,525	15,199,805	12,325,962	29,390,292

9.2 Information related to Islamic financing and related assets is given in note 3 of Annexure I to the unconsolidated financial statements and is an integral part of these consolidated financial statements.

9.3 Particulars of advances (Gross)	2021	2020
	(Rupees in '000)	
In local currency	1,222,102,342	1,054,929,659
In foreign currencies	368,798,249	250,479,610
	1,590,900,591	1,305,409,269

9.4 Advances include Rs 80,888.461 million (2020: Rs 82,104.376 million) which have been placed under non-performing status as detailed below:

Category of classification	2021		2020	
	Non-performing advances	Provision	Non-performing advances	Provision
(Rupees in '000)				
Domestic				
Other assets especially mentioned	676,362	3,379	1,228,797	-
Substandard	2,919,319	711,251	5,541,896	1,355,443
Doubtful	2,566,040	1,286,243	1,383,002	690,474
Loss	43,406,758	42,415,330	42,291,448	41,073,885
	49,568,479	44,416,203	50,445,143	43,119,802
Overseas				
Not past due but impaired	1,411,443	611,553	592,400	355,535
Overdue by:				
Upto 90 days	29,965	-	105,684	36,925
91 to 180 days	17,181	14,815	225,844	51,457
181 to 365 days	2,312,907	1,929,459	2,849,284	2,846,499
> 365 days	27,548,486	25,873,156	27,886,021	24,425,545
	31,319,982	28,428,983	31,659,233	27,715,961
Total	80,888,461	72,845,186	82,104,376	70,835,763

9.5 Particulars of provision against advances	Note	2021		2020	
		Specific	General	Specific	General
(Rupees in '000)					
Opening balance		70,835,763	11,063,284	81,899,047	72,634,967
Exchange adjustment		2,670,248	222,274	2,892,522	974,252
Charge for the year		12,415,018	1,613,469	14,028,487	9,301,182
Reversal for the year		(4,492,724)	(1,890,719)	(6,383,443)	(4,525,945)
Net charge / (reversal) against advances		7,922,294	(277,250)	7,645,044	4,775,237
Charged off during the year - agriculture financing	9.7	(532,280)	-	(532,280)	(750,824)
Written off during the year	9.8	(8,050,839)	-	(8,050,839)	(6,797,869)
Closing balance		72,845,186	11,008,308	83,853,494	70,835,763

9.5.1 Particulars of provision against advances	2021		2020	
	Specific	General	Specific	General
(Rupees in '000)				
In local currency	43,420,856	8,335,552	51,756,408	42,015,212
In foreign currencies	29,424,330	2,672,756	32,097,086	28,820,551
	72,845,186	11,008,308	83,853,494	70,835,763

9.6 General provision includes provision amounting to Rs 2,753.209 million (2020: Rs 2,237.187 million) against consumer finance portfolio and Rs 577.903 million (2020: Rs 421.751 million) against advances to microenterprises as required by the Prudential Regulations. General provision also includes Rs 2,672.756 million (2020: Rs 1,985.294 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Group operates and, as discussed in Note 4.4, Rs 5,004.440 million (2020: 6,419.052 million) on account of potential provisions required against borrowers affected by the pandemic.

9.7 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held, in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020
9.8 Particulars of write offs			
9.8.1 Against provisions	9.5	8,050,839	6,797,869
Directly charged to the profit and loss account	31	81,069	99,452
Against charge-off		442	-
	9.8.2	<u>8,132,350</u>	<u>6,897,321</u>
9.8.2 Analysis of write offs			
Write offs of Rs. 500,000 and above			
- Domestic		2,315,683	657,812
- Domestic subsidiaries		59,087	12,880
		2,374,770	670,692
- Overseas	9.9.2	<u>4,147,620</u>	<u>5,481,290</u>
		6,522,390	6,151,982
Write offs of below Rs. 500,000		<u>1,609,960</u>	<u>745,339</u>
		<u>8,132,350</u>	<u>6,897,321</u>

9.9 Details of written off advances of Rs 500,000 and above

9.9.1 The statement required under sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 in respect of written off advances or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2021 is given in Annexure II to the unconsolidated financial statements and is an integral part of these consolidated financial statements.

9.9.2 These include write offs or financial relief allowed to borrowers in those countries where there are disclosure restrictions.

	Note	2021 (Rupees in '000)	2020
10 FIXED ASSETS			
Capital work-in-progress	10.1	7,803,605	2,639,430
Property and equipment	10.2	<u>90,872,737</u>	<u>86,550,780</u>
		<u>98,676,342</u>	<u>89,190,210</u>
10.1 Capital work-in-progress			
Civil works		4,375,253	762,188
Equipment		310,830	1,243,270
Advances to suppliers and contractors		<u>3,117,522</u>	<u>633,972</u>
		<u>7,803,605</u>	<u>2,639,430</u>

10.2 Property and equipment

	2021									
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improve-ments	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of-use assets
	(Rupees in '000)									
At January 1, 2021										
Cost / revalued amount	818,631	33,920,702	841,418	17,569,518	3,643,428	9,263,184	4,948,100	28,305,688	1,261,856	23,674,564
Accumulated depreciation	-	-	(279,116)	(14,975)	(889,212)	(6,385,921)	(2,652,438)	(19,937,859)	(718,080)	(6,818,708)
Net book value	<u>818,631</u>	<u>33,920,702</u>	<u>562,302</u>	<u>17,554,543</u>	<u>2,754,216</u>	<u>2,877,263</u>	<u>2,295,662</u>	<u>8,367,829</u>	<u>543,776</u>	<u>16,855,856</u>
Year ended December 31, 2021										
Opening net book value	818,631	33,920,702	562,302	17,554,543	2,754,216	2,877,263	2,295,662	8,367,829	543,776	16,855,856
Additions	-	400,000	2,068	281,975	93,050	1,984,214	762,343	4,584,991	233,849	6,129,155
Disposals	-	-	-	-	(1,368)	(7,896)	(6,892)	(17,985)	(15,101)	(1,911)
Depreciation charge	-	-	(91,827)	(370,665)	(416,316)	(1,078,498)	(672,253)	(4,173,196)	(166,437)	(3,384,774)
Write off	-	-	-	-	(7,425)	(9,159)	(9,826)	(99,863)	(130)	-
Exchange rate adjustments	54,039	-	12,369	1,580	-	36,286	16,253	36,813	2,347	223,344
Other adjustments / transfers	-	-	44,844	(265)	1,093	(41,022)	(2,560)	(4,669)	1,494	(112)
Closing net book value	<u>872,670</u>	<u>34,320,702</u>	<u>529,756</u>	<u>17,467,168</u>	<u>2,423,250</u>	<u>3,761,188</u>	<u>2,382,727</u>	<u>8,693,920</u>	<u>599,798</u>	<u>19,821,558</u>
At December 31, 2021										
Cost / revalued amount	872,670	34,320,702	787,206	17,854,067	3,701,948	11,155,114	5,689,084	28,951,875	1,402,369	28,799,739
Accumulated depreciation	-	-	(257,450)	(386,899)	(1,278,698)	(7,393,926)	(3,306,357)	(20,257,955)	(802,571)	(8,978,181)
Net book value	<u>872,670</u>	<u>34,320,702</u>	<u>529,756</u>	<u>17,467,168</u>	<u>2,423,250</u>	<u>3,761,188</u>	<u>2,382,727</u>	<u>8,693,920</u>	<u>599,798</u>	<u>19,821,558</u>
Rate of depreciation (%)	-	-	3 - 5	1.67 - 4	10	10 - 20	10 - 20	10 - 33	10 - 20	2.5 - 100

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2020

	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of-use assets	Total
(Rupees in '000)											
At January 1, 2020											
Cost / revalued amount	693,597	27,833,786	571,851	16,741,781	3,572,650	8,280,278	4,346,578	25,394,240	1,148,380	19,305,071	107,888,212
Accumulated depreciation	-	-	(219,989)	(475,963)	(477,468)	(5,511,564)	(2,110,150)	(16,602,761)	(620,089)	(3,329,407)	(29,347,391)
Net book value	693,597	27,833,786	351,862	16,265,818	3,095,182	2,768,714	2,236,428	8,791,479	528,291	15,975,664	78,540,821
Year ended December 31, 2020											
Opening net book value	693,597	27,833,786	351,862	16,265,818	3,095,182	2,768,714	2,236,428	8,791,479	528,291	15,975,664	78,540,821
Additions	-	981,325	37	92,040	60,979	1,060,870	628,020	3,111,496	168,442	5,915,679	12,018,888
Disposals	-	-	(31,919)	-	-	(47,585)	(13,491)	(27,821)	(1,234)	(1,381,585)	(1,503,635)
Depreciation charge	-	-	(41,817)	(327,767)	(415,316)	(907,342)	(595,720)	(3,521,004)	(153,587)	(3,795,518)	(9,758,071)
Movement in surplus on assets revalued during the year	97,049	4,991,467	269,026	1,479,871	-	-	-	-	-	-	6,837,413
Impairment reversed during the year	-	114,124	-	44,584	-	-	-	-	-	-	158,708
Exchange rate adjustments	27,985	-	9,346	588	-	32,301	11,505	21,318	1,943	166,475	271,461
Other adjustments / transfers	-	-	5,767	(591)	13,371	(29,695)	28,920	(7,639)	(79)	(24,859)	(14,805)
Closing net book value	818,631	33,920,702	562,302	17,554,543	2,754,216	2,877,263	2,295,662	8,367,829	543,776	16,855,856	86,550,780
At December 31, 2020											
Cost / revalued amount	818,631	33,920,702	841,418	17,569,518	3,643,428	9,263,184	4,948,100	28,305,688	1,261,856	23,674,564	124,247,089
Accumulated depreciation	-	-	(279,116)	(14,975)	(889,212)	(6,385,921)	(2,652,438)	(19,937,859)	(718,080)	(6,818,708)	(37,696,309)
Net book value	818,631	33,920,702	562,302	17,554,543	2,754,216	2,877,263	2,295,662	8,367,829	543,776	16,855,856	86,550,780
Rate of depreciation (%)	-	-	3 - 5	1.67 - 4	10	10 - 20	10 - 20	10 - 33	10 - 20	1.61 - 100	

10.2.1 With effect from January 2021, the estimated useful life of biometric devices has been revised from 5 years to 4 years which is more reflective of the consumption pattern of these assets. The effect of this change on depreciation expense in the current year and the next year is as follows:

	2022 (Rupees in '000)	2021 (Rupees in '000)
Increase in depreciation expense of Biometric devices	66,892	112,270

10.3 Revaluation of properties

The properties of the Group were last revalued by independent professional valuers as at December 31, 2020. The revaluation was carried out by M/s Iqbal A. Nanjee & Co. (Private) Limited (Pakistan), M/s United Valuers (Pte) Limited (Singapore), M/s Sunil Fernando & Associates (Private) Limited (Sri Lanka), M/s AKTIF Real Estate Appraisal and Consultancy Inc. (Turkey), M/s Al-Amrousiya Real Estate (Lebanon), M/s Shepherd Commercial (UK) and M/s AJP Chartered Surveyors Limited (UK) on the basis of assessment of then present market values. The revaluation resulted in an increase of Rs 6,837.413 million in the surplus. The total surplus arising against revaluation of fixed assets as at December 31, 2021 amounts to Rs 28,902.931 million.

10.4 Had there been no periodic revaluations, the carrying amounts of revalued assets would have been as follows:

	2021 (Rupees in '000)	2020 (Rupees in '000)
Freehold land	482,409	428,369
Leasehold land	10,127,486	9,780,805
Building on freehold land	206,557	202,566
Building on leasehold land	13,470,913	13,533,218
	24,287,365	23,944,958

10.5 Details of disposal of fixed assets

The information relating to disposal of fixed assets to related parties is given in Annexure III and is an integral part of these consolidated financial statements.

10.6 The carrying amount of fixed assets held for disposal amounted to Rs 4.652 million (2020: Rs 3.253 million).

10.7 The cost of fully depreciated fixed assets that are still in the Group's use is as follows:

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Leasehold improvements		3,750,735	3,339,338
Furniture and fixtures		897,582	826,623
Electrical, office and computer equipment		8,678,305	9,841,869
Vehicles		254,777	278,041
		13,581,399	14,285,871

11 INTANGIBLE ASSETS

Capital work-in-progress - computer software		2,056,072	1,620,539
Intangible assets	11.1	10,574,403	8,792,341
		12,630,475	10,412,880

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

11.1 Intangible Assets

	2021				2020			
	Computer Software	Management Rights (note 11.3.2)	Goodwill (note 11.3)	Total	Computer Software	Management Rights	Goodwill	Total
(Rupees in '000)								
At January 1,								
Cost	7,826,687	2,367,577	3,051,663	13,245,927	6,510,581	2,367,577	2,866,444	11,744,602
Accumulated amortisation	(4,453,586)	-	-	(4,453,586)	(3,729,801)	-	-	(3,729,801)
Net book value	<u>3,373,101</u>	<u>2,367,577</u>	<u>3,051,663</u>	<u>8,792,341</u>	<u>2,780,780</u>	<u>2,367,577</u>	<u>2,866,444</u>	<u>8,014,801</u>
Year ended December 31,								
Opening net book value	3,373,101	2,367,577	3,051,663	8,792,341	2,780,780	2,367,577	2,866,444	8,014,801
Purchased during the year	2,565,809	-	-	2,565,809	1,380,051	-	-	1,380,051
Disposal / Write-off	(11,475)	-	-	(11,475)	(10,544)	-	-	(10,544)
Amortisation charge	(1,061,035)	-	-	(1,061,035)	(799,329)	-	-	(799,329)
Exchange rate adjustments	42,924	-	244,750	287,674	24,472	-	185,219	209,691
Other adjustments	1,089	-	-	1,089	(2,329)	-	-	(2,329)
Closing net book value	<u>4,910,413</u>	<u>2,367,577</u>	<u>3,296,413</u>	<u>10,574,403</u>	<u>3,373,101</u>	<u>2,367,577</u>	<u>3,051,663</u>	<u>8,792,341</u>
At December 31,								
Cost	10,458,081	2,367,577	3,296,413	16,122,071	7,826,687	2,367,577	3,051,663	13,245,927
Accumulated amortisation	(5,547,668)	-	-	(5,547,668)	(4,453,586)	-	-	(4,453,586)
Net book value	<u>4,910,413</u>	<u>2,367,577</u>	<u>3,296,413</u>	<u>10,574,403</u>	<u>3,373,101</u>	<u>2,367,577</u>	<u>3,051,663</u>	<u>8,792,341</u>
Rate of amortisation (%)	<u>10 - 33.33</u>	-	-		<u>10 - 33.33</u>	-	-	
Useful life (years)	<u>3 - 10</u>	-	-		<u>3 - 10</u>	-	-	

11.2 The cost of fully amortised intangible assets that are still in the Group's use amounted to Rs 2,764.995 million (2020: Rs 2,122.165 million).

	Note	2021	2020
		(Rupees in '000)	
11.3 Goodwill arising on acquisition of			
- Habibsons Bank Limited	11.3.1	2,940,906	2,696,156
- PICIC AMC	11.3.2	355,507	355,507
		<u>3,296,413</u>	<u>3,051,663</u>

11.3.1 The carrying value of goodwill is determined in accordance with IFRS 3 - Business Combinations and IAS 36 - Impairment of Assets. Goodwill arose on the acquisition of Habibsons Bank Limited in 2011 and represents the excess of the purchase consideration over the fair value of the assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition.

Goodwill is allocated to the Wealth Management cash generating unit (CGU) which is the segment that is expected to benefit from the synergies of the acquisition. Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. Goodwill is considered to be impaired if the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount is calculated as the higher of the CGU's value-in-use (VIU) and its fair value less costs to sell.

The recoverable value of goodwill was determined based on VIU calculations. VIU is calculated as the present value of the CGU's approved pre-tax cash flows, covering a period of five years and a terminal value based on a perpetuity, calculated using long-term GDP growth rates. All cash flows are discounted using a discount rate which reflects the risks appropriate to the CGU. As at December 31, 2021, the recoverable value of the CGU exceeds its carrying amount.

The following table sets out the key assumptions which were used for the determination of the value-in-use of goodwill. These are consistent with industry forecasts and are management's best estimates of the future performance of the segment.

	2021	2020
Advances growth rate	29.92%	7.63%
Yield on advances	2.89%	2.70%
Yield on surplus funds	1.88%	1.90%
Deposits growth rate	6.12%	8.02%
Cost of deposits	0.22%	0.20%
Long term weighted average growth rate	3.26%	1.50%
Pre-tax discount rate	9.96%	11.86%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

11.3.2 The carrying value of goodwill and management rights is determined in accordance with IFRS 3 - Business Combinations and IAS 36 - Impairment of Assets. Goodwill and management rights arose on the acquisition of PICIC Asset Management Limited by HBL Asset Management Limited (HBL AMC) in 2016. Management rights represent the present value of the income stream from the rights to manage the acquired funds. Goodwill represents the excess of the purchase consideration over the fair value of the tangible and intangible assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition.

The funds under management acquired from PICIC have been considered as one cash generating unit (CGU). Goodwill and management rights are tested annually for impairment, or more frequently when there are indications that impairment may have occurred. Goodwill and management rights are considered to be impaired if the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount for both goodwill and management rights is calculated as the higher of the CGU's value-in-use (VIU) and its fair value less costs to sell.

The recoverable value was determined based on VIU calculations. VIU is calculated as the present value of the CGU's approved pre-tax cash flows, covering a period of ten years and a terminal value based on a perpetuity, calculated using long-term GDP growth rates. All cash flows are discounted using a discount rate which reflects the risks appropriate to the CGU. As at December 31, 2021, the recoverable value of the CGU exceeds its carrying amount.

		2021	2020
Pre-tax discount rate		16.4%	14.25%
AUMs growth rate		-7.0% to 64.6%	-19.00% to 84.00%
Terminal growth rate		9.50%	9.00%

	Note	2021 (Rupees in '000)	2020
12 OTHER ASSETS			
Mark-up / return / profit / interest accrued in local currency - net of provision		52,719,955	49,348,579
Mark-up / return / profit / interest accrued in foreign currency - net of provision		3,791,224	2,878,167
Advances, deposits, advance rent and other prepayments		3,825,328	2,645,730
Advance taxation		21,708,444	21,124,536
Advances against subscription of securities		178,000	1,096,000
Stationery and stamps on hand		181,671	154,121
Accrued fees and commissions receivable		554,583	476,113
Due from Government of Pakistan / SBP		2,137,045	1,532,223
Mark to market gain on forward foreign exchange contracts		8,699,989	4,101,950
Mark to market gain on derivative instruments	22.2	251,603	182,917
Non-banking assets acquired in satisfaction of claims	12.1	459,389	432,937
Receivable from defined benefit plan	36.4.5	759,354	-
Acceptances		36,686,549	27,539,046
Clearing and settlement accounts		17,436,987	3,220,084
Dividend receivable		185,213	15,026
Claims receivable against fraud and forgeries		541,337	553,356
Others		1,628,410	1,022,072
		<u>151,745,081</u>	<u>116,322,857</u>
Provision held against other assets	12.2	(1,243,645)	(1,127,909)
Other assets - net of provision		<u>150,501,436</u>	<u>115,194,948</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20.2	224,064	209,594
Other assets - total		<u><u>150,725,500</u></u>	<u><u>115,404,542</u></u>

12.1 Details of revaluation of non-banking assets acquired in satisfaction of claims			
Market value of non-banking assets acquired in satisfaction of claims		<u>680,986</u>	<u>639,379</u>

12.1.1 Non-banking assets acquired in satisfaction of claims have been revalued by independent professional valuers as at December 31, 2021. The revaluation was carried out by M/s Hamid Mukhtar & Co (Private) Limited, M/s Harvester Services (Private) Limited and M/s Elevante Property Services Limited on the basis of an assessment of present market values and resulted in an increase in the surplus by Rs 132.680 million. The total surplus arising against revaluation of non banking assets acquired in satisfaction of claims as at December 31, 2021 amounts to Rs 224.064 million (2020: Rs 209.594 million).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020
12.1.2 Non-banking assets acquired in satisfaction of claims			
Opening balance		639,379	626,000
Exchange adjustment		2,804	-
Addition during the year		189,876	-
Disposal during the year		(200,000)	(40,000)
Revaluation during the year	20.2	132,680	49,570
Transferred to fixed asset		(83,672)	-
Depreciation		(766)	(63)
Reversal of impairment		685	3,872
Closing balance		<u>680,986</u>	<u>639,379</u>
12.1.3 Gain on sale of non-banking assets acquired in satisfaction of claims			
Disposal proceeds		216,000	42,500
Less:			
Cost		81,790	35,720
Surplus realised on sale	20.2	<u>118,210</u>	<u>4,280</u>
		<u>200,000</u>	<u>40,000</u>
		<u>16,000</u>	<u>2,500</u>
12.2 Provision held against other assets			
Acceptances		-	419,923
Non-banking assets acquired in satisfaction of claims		2,467	3,152
Claims receivable against fraud and forgeries		541,337	553,356
Suit filed cases		4,800	4,998
Others		695,041	146,480
		<u>1,243,645</u>	<u>1,127,909</u>
12.2.1 Movement in provision against other assets			
Opening balance		1,127,909	821,996
Exchange adjustment		(17,808)	19,735
Charge for the year		<u>741,684</u>	<u>691,987</u>
Reversal for the year		<u>(551,548)</u>	<u>(33,899)</u>
Net charge		190,136	658,088
Written off during the year		(56,592)	(49,042)
Transferred out		-	(322,868)
Closing balance		<u>1,243,645</u>	<u>1,127,909</u>
13 BILLS PAYABLE			
In Pakistan		42,793,433	44,875,620
Outside Pakistan		<u>1,403,551</u>	<u>1,558,579</u>
		<u>44,196,984</u>	<u>46,434,199</u>
14 BORROWINGS			
Secured			
Borrowings from the SBP under			
- Export refinance scheme	14.2	69,782,711	60,068,212
- Long term financing facility	14.3	32,529,493	25,922,575
- Financing facility for renewable energy power plants	14.4	6,805,470	1,716,425
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	14.5	241,788	152,893
- Refinance and credit guarantee scheme for women entrepreneurs	14.6	155,370	163,416
- Financing facility for storage of agricultural produce	14.7	333,349	292,211
- Refinance facility for working capital of SMEs		-	135,625
- Refinance scheme for payment of wages and salaries	14.8	15,476,761	30,928,363
- Refinance facility for combating COVID-19	14.9	1,055,725	1,300,000
- Temporary economic refinance facility	14.10	<u>26,010,138</u>	<u>4,917,263</u>
		152,390,805	125,596,983
Repurchase agreement borrowings	14.12	<u>140,193,364</u>	<u>321,070,809</u>
		<u>292,584,169</u>	<u>446,667,792</u>
Unsecured			
- Call money borrowings	14.13	<u>1,000,000</u>	<u>13,450,000</u>
- Overdrawn nostro accounts		653,970	194,244
- Borrowings of overseas branches and subsidiaries	14.14	82,898,483	30,376,372
- Other long-term borrowings	14.15	<u>59,121,383</u>	<u>53,419,418</u>
		<u>143,673,836</u>	<u>97,440,034</u>
		<u>436,258,005</u>	<u>544,107,826</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

14.1	Particulars of borrowings with respect to currencies	2021	2020
		(Rupees in '000)	
	In local currency	297,869,977	464,233,561
	In foreign currencies	<u>138,388,028</u>	<u>79,874,265</u>
		<u>436,258,005</u>	<u>544,107,826</u>
14.2	The Bank has entered into an agreement with the SBP for extending export finance to customers. These carry mark-up at rates ranging from 1.00% to 2.00% per annum (2020: 1.00% to 3.00% per annum) and are due to mature latest by December 05, 2022.		
14.3	These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These carry mark-up at rates ranging from 2.00% to 8.60 % per annum (2020: 2.00% to 8.60% per annum) and are due to mature latest by May 17, 2032.		
14.4	These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 3.00% per annum (2020: 2.00% to 3.00% per annum) and are due to mature latest by September 18, 2032.		
14.5	These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises. These carry mark-up at a rate of 2.00% per annum (2020: 2.00% per annum) and are due to mature latest by October 10, 2026.		
14.6	These borrowings have been obtained from the SBP under a scheme to finance women entrepreneurs for setting up of new business enterprises or for expansion of existing ones. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by November 09, 2025.		
14.7	These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rates ranging from 2.00% to 3.50% per annum (2020: 2.00% to 3.50% per annum) and are due to mature latest by March 30, 2026.		
14.8	These borrowings have been obtained from the SBP under a scheme to help businesses pay wages and salaries to their employees during the pandemic and thereby support continued employment. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by October 01, 2022.		
14.9	These borrowings have been obtained from the SBP to provide emergency financing to hospitals and medical centres to develop capacity for the treatment of COVID-19 patients. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by September 30, 2025. The maximum financing limit under the facility is Rs 500 million per hospital / medical centre with a tenor of 5 years, including a grace period of up to 6 months.		
14.10	These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up new industrial units in the backdrop of challenges faced by industries during the pandemic. These carry mark-up at a rate of 1.00% per annum (2020: 1.00% per annum) and are due to mature latest by December 15, 2032. The maximum limit granted under this facility is Rs 5 billion per project with a tenor of 10 years, including a grace period of 2 years.		
14.11	For all SBP borrowings, the SBP has a right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP.		
14.12	Repurchase agreement borrowings carry mark-up at rates ranging from 9.70% to 10.25% per annum (2020: 6.20% to 7.02% per annum) and are due to mature latest by February 25, 2022. The market value of securities given as collateral against these borrowings is given in note 8.2.2.		
14.13	Call money borrowings carry mark-up at a rate of 10.05% per annum (2020: 6.05% to 7.15% per annum) and are due to mature latest by January 04, 2022.		
14.14	Borrowings by overseas branches and subsidiaries carry mark-up at rates ranging from 0.10% to 8.58% per annum (2020: (0.01% to 8.05%per annum) and are due to mature latest by December 22, 2022.		
14.15	This includes the following:		
14.15.1	A loan from the International Finance Corporation amounting to US\$ 150 million (2020: US\$ 150 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi-annually.		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

14.15.2 A long-term financing facility arrangement of US\$ 300 million with China Development Bank, to be utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 170.975 million (2020: US\$ 165.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to January 31, 2023. Starting from that date, the entire drawn amount is payable in semi-annual installments from January 31, 2023 to January 31, 2033. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.

14.15.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 181.985 million (2020: Rs 194.309 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (2020: 11.21% per annum) is payable semi-annually.

14.15.4 Mortgage refinancing facilities from PMRC, amounting to Rs 1,082.977 million (2020: Rs 821.434 million), utilised by HBL Microfinance Bank Limited to extend mortgage finance to low income groups. The principal amount is payable in quarterly installments from June 2020 to June 2031. Mark-up on these facilities ranges from 6.50% to 7.14% per annum (2020: 7.14% per annum) and is payable quarterly.

14.15.5 A loan from Allied Bank Limited to HBL Asset Management Limited amounting to Rs 1.2 billion (2020: Rs 1.6 billion). The principal amount is payable in semi-annual installments from June 2020 to December 2024. Mark-up at KIBOR + 0.75% is payable semi-annually.

15 DEPOSITS AND OTHER ACCOUNTS

Note	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
Customers						
Current deposits	952,815,913	210,488,971	1,163,304,884	823,057,044	157,417,183	980,474,227
Savings deposits	1,112,754,751	103,505,665	1,216,260,416	995,229,006	94,756,615	1,089,985,621
Term deposits	471,532,451	180,237,348	651,769,799	315,226,455	141,767,942	456,994,397
	2,537,103,115	494,231,984	3,031,335,099	2,133,512,505	393,941,740	2,527,454,245
Financial institutions						
Current deposits	5,101,313	2,272,365	7,373,678	13,072,383	1,408,220	14,480,603
Savings deposits	299,998,542	451,389	300,449,931	267,728,866	657,250	268,386,116
Term deposits	36,824,833	6,014,857	42,839,690	13,163,008	6,887,418	20,050,426
	341,924,688	8,738,611	350,663,299	293,964,257	8,952,888	302,917,145
15.2	<u>2,879,027,803</u>	<u>502,970,595</u>	<u>3,381,998,398</u>	<u>2,427,476,762</u>	<u>402,894,628</u>	<u>2,830,371,390</u>

		2021	2020
		(Rupees in '000)	
15.1	Composition of deposits		
	- Individuals	1,842,298,734	1,531,356,075
	- Government (Federal and Provincial)	197,465,425	154,362,518
	- Banking companies	11,684,140	9,119,704
	- Non-Banking Financial Institutions	338,979,159	293,797,441
	- Other public sector entities	221,489,701	135,997,229
	- Other private sector entities	770,081,239	705,738,423
		<u>3,381,998,398</u>	<u>2,830,371,390</u>

15.2 This includes deposits amounting to Rs 1,689,010.499 million (2020: Rs 1,565,304.659 million) which are eligible for coverage under insurance arrangements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021	2020
		(Rupees in '000)	
16 SUBORDINATED DEBT			
Tier II Term Finance Certificates	16.1	-	9,982,000
Additional Tier I Term Finance Certificates	16.2	12,374,000	12,374,000
		<u>12,374,000</u>	<u>22,356,000</u>

16.1 In accordance with Sub-Section 1.1.6 of Article 1 read with Condition 4 in Schedule 3 of the Trust Deed dated December 15, 2015 executed between the Issuer and the Trustee, the Bank has exercised the call option in full with respect to all outstanding Tier II Term Finance Certificates (TFCs). Accordingly, on February 19, 2021, the 5th anniversary of the issue date (the "Call Option Exercise Date"), the entire principal outstanding amount was redeemed along with accrued profit. The TFCs have also been delisted from the PSX with effect from March 15, 2021.

16.2 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013.

The key features of the issue are as follows:

Issue Date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [2020: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors. However, they shall rank superior to the claims of ordinary shareholders.
Profit payment frequency	Quarterly in arrears
Redemption	Perpetual, hence not applicable.
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised. If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
Lock-in clause	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
Loss absorbency clause	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
17 DEFERRED TAX ASSETS / (LIABILITIES)			
Deductible temporary differences on			
- Tax losses of subsidiary		431,976	840,493
- Provision against investments		766,916	1,141,429
- Provision against doubtful debts and off-balance sheet obligations		3,721,755	4,109,075
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		2,586,450	1,940,800
- Deficit / (surplus) on revaluation of investments	20	1,309,052	(5,430,518)
- Deficit / (surplus) on revaluation of investments of associates	20	37,902	(21,949)
- Provision against other assets		15,342	45,062
- Deficit on revaluation of fixed assets		-	72,832
- Ijarah financing		156,250	199,225
		9,025,643	2,896,449
Taxable temporary differences on			
- Accelerated tax depreciation		(1,360,584)	(1,667,333)
- Surplus on revaluation of fixed assets	20	(1,777,800)	(1,827,924)
- Surplus on revaluation of fixed assets of associates	20	(56,392)	(56,392)
- Management rights and goodwill		(288,014)	(237,741)
- Share of profit of associates		(7,328,089)	(6,728,003)
- Exchange translation reserve		(3,287,635)	(2,740,997)
- Others		(9,731)	(25,918)
		(14,108,245)	(13,284,308)
Net deferred tax liabilities		(5,082,602)	(10,387,859)

17.1 Movement in temporary differences during the year

	Balance as at January 1, 2020	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2020	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2021
	(Rupees in '000)						
Deductible temporary differences on							
- Tax losses of subsidiary	445,141	375,723	19,629	840,493	(441,402)	32,885	431,976
- Provision against investments	1,616,500	(475,071)	-	1,141,429	(399,508)	24,995	766,916
- Provision against doubtful debts and off-balance sheet obligations	4,354,960	(245,885)	-	4,109,075	(387,320)	-	3,721,755
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001	1,670,344	270,366	90	1,940,800	645,650	-	2,586,450
- Surplus / deficit on revaluation of investments	(2,291,567)	-	(3,138,951)	(5,430,518)	-	6,739,570	1,309,052
- Surplus on revaluation of investments of associates	414	-	(22,363)	(21,949)	-	59,851	37,902
- Provision against other assets	50,989	(5,927)	-	45,062	(29,720)	-	15,342
- Deficit on revaluation of fixed assets	163,960	(91,128)	-	72,832	(72,832)	-	-
- Ijarah financing	150,674	48,551	-	199,225	(42,975)	-	156,250
- Recognised on subsidiary under liquidation	108,817	-	(108,817)	-	-	-	-
Taxable temporary differences on							
- Accelerated tax depreciation	(2,011,063)	341,004	2,726	(1,667,333)	300,298	6,451	(1,360,584)
- Surplus on revaluation of fixed assets	(1,175,641)	29,786	(682,069)	(1,827,924)	50,124	-	(1,777,800)
- Surplus on revaluation of fixed assets of associates	(56,392)	-	-	(56,392)	-	-	(56,392)
- Management rights and goodwill	(182,914)	(54,827)	-	(237,741)	(50,273)	-	(288,014)
- Share of profit of associates	(6,049,041)	(678,962)	-	(6,728,003)	(600,086)	-	(7,328,089)
- Exchange translation reserve	(2,982,429)	-	241,432	(2,740,997)	-	(546,638)	(3,287,635)
- Others	(2,439)	(36,077)	12,598	(25,918)	(7,771)	23,958	(9,731)
Net deferred tax (liabilities) / assets	(6,189,687)	(522,447)	(3,675,725)	(10,387,859)	(1,035,815)	6,341,072	(5,082,602)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020
18 OTHER LIABILITIES			
Mark-up / return / profit / interest payable in local currency		10,014,802	11,846,712
Mark-up / return / profit / interest payable in foreign currency		2,589,051	2,362,314
Security deposits		909,334	974,790
Accrued expenses		20,870,306	19,271,148
Mark to market loss on forward foreign exchange contracts		7,337,247	6,359,622
Mark to market loss on derivative instruments	22.2	2,624,952	1,449,800
Unclaimed dividends		727,940	693,700
Dividends payable		1,327,763	115,626
Provision for post retirement medical benefits	36.4.5	4,557,833	3,763,654
Provision for employees' compensated absences	36.4.5	2,177,565	2,492,992
Provision against off-balance sheet obligations	18.1	2,687,054	1,138,648
Acceptances		36,686,549	27,539,046
Branch adjustment account		827,848	816,307
Provision for staff retirement benefits		1,251,289	1,239,418
Payable to defined benefit plans	36.4.4 & 36.1.6	437,648	1,182,639
Provision for Workers' Welfare Fund	29	7,735,706	6,379,456
Unearned income		4,452,650	4,229,811
Qarz-e-Hasna Fund		338,409	338,542
Levies and taxes payable		7,690,809	7,073,633
Insurance payable		1,235,949	887,519
Provision for rewards program expenses		1,748,370	1,391,392
Liability against trading of securities		3,701,035	902,755
Clearing and settlement accounts		4,221,476	4,538,525
Payable to HBL Foundation		405,576	315,431
Contingent consideration payable		500,000	500,000
Charity fund		44,865	4,234
Lease liability against right-of-use asset		22,307,342	18,213,249
Unclaimed deposits		348,609	91,752
Others		4,114,377	3,797,582
		<u>153,872,354</u>	<u>129,910,297</u>
18.1 Provision against off-balance sheet obligations			
Opening balance		1,138,648	437,795
Exchange adjustment		(38,031)	(25,452)
Charge for the year		1,616,293	480,696
Reversal for the year		(75,785)	(95,905)
Net charge		1,540,508	384,791
Written off during the year		(1,653)	(4,053)
Transferred in		47,582	345,567
Closing balance		<u>2,687,054</u>	<u>1,138,648</u>
19 SHARE CAPITAL			
19.1 Authorised capital			
2021	2020		
Number of shares in '000			
<u>2,900,000</u>	<u>2,900,000</u>	Ordinary shares of Rs 10 each	<u>29,000,000</u> <u>29,000,000</u>
19.2 Issued, subscribed and paid-up capital			
2021	2020		
Number of shares in '000			
690,000	690,000	Ordinary shares of Rs 10 each	6,900,000 6,900,000
776,852	776,852	Fully paid in cash	7,768,525 7,768,525
<u>1,466,852</u>	<u>1,466,852</u>	Issued as bonus shares	<u>14,668,525</u> <u>14,668,525</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

19.3 Major shareholders

(holding more than 5% of total paid-up capital)

Name of shareholder

Aga Khan Fund for Economic Development

2021		2020	
Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
748,094,778	51.00%	748,094,778	51.00%

19.4 Shares of the Bank held by associated companies

Jubilee General Insurance Company Limited
Jubilee Life Insurance Company Limited
HBL Equity Fund
HBL Investment Fund Class B
HBL Multi Asset Fund
HBL Stock Fund
HBL Income Fund
HBL Pension Fund- Equity Sub Fund

**2021
(Number of shares)**

2020

4,270,000	4,270,000
33,246,975	12,910,000
1,067,000	231,000
692,395	326,600
143,271	62,971
364,004	530,504
522,069	-
131,500	-

19.5 Statutory reserve

Every banking company incorporated in Pakistan is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserve equals the paid-up share capital. Thereafter, 10% of the profit after tax of the Bank is required to be transferred to this reserve. Accordingly, the Bank transfers 10% of its profit after tax every year to the statutory reserve.

19.6 Exchange translation reserve

This comprises of all foreign currency differences arising from the translation of the net investment in foreign branches, associates, joint venture and subsidiaries.

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Note	2021			2020			
	Attributable to		Total	Attributable to		Total	
	Equity holders	Non-controlling interest		Equity holders	Non-controlling interest		
<hr/> <hr/> (Rupees in '000) <hr/>							
Surplus / (deficit) arising on revaluation of:							
- Fixed assets	20.1	28,876,201	26,730	28,902,931	28,987,958	43,496	29,031,454
- Fixed assets of associates		144,596	-	144,596	144,596	-	144,596
- Available-for-sale securities	8.1	(3,498,964)	(50,429)	(3,549,393)	13,932,014	22,016	13,954,030
- Available-for-sale securities held by associates	8.1	(97,185)	-	(97,185)	56,279	-	56,279
- Non-banking assets acquired in satisfaction of claims	20.2	224,064	-	224,064	209,594	-	209,594
		25,648,712	(23,699)	25,625,013	43,330,441	65,512	43,395,953
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:							
- Fixed assets	20.1	1,775,005	2,795	1,777,800	1,824,175	3,749	1,827,924
- Fixed assets of associates		56,392	-	56,392	56,392	-	56,392
- Available-for-sale securities	17.1	(1,304,154)	(4,898)	(1,309,052)	5,423,011	7,507	5,430,518
- Available-for-sale securities held by associates	17.1	(37,902)	-	(37,902)	21,949	-	21,949
- Non-banking assets acquired in satisfaction of claims		-	-	-	-	-	-
		489,341	(2,103)	487,238	7,325,527	11,256	7,336,783
Surplus on revaluation of assets							
- net of tax		25,159,371	(21,596)	25,137,775	36,004,914	54,256	36,059,170

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021 (Rupees in '000)	2020
20.1 Surplus on revaluation of fixed assets		
Surplus on revaluation of fixed assets as at January 01	29,031,454	22,270,416
Surplus recognised during the year	-	6,837,413
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(78,399)	(46,589)
Related deferred tax liability on incremental depreciation charged during the year	(50,124)	(29,786)
Surplus on revaluation of fixed assets as at December 31	28,902,931	29,031,454
Less: related deferred tax liability on		
- Revaluation as at January 01	1,827,924	1,175,641
- Surplus recognised during the year	-	682,069
- Incremental depreciation charged during the year	(50,124)	(29,786)
	1,777,800	1,827,924
Surplus on revaluation of fixed assets of associates	144,596	144,596
Related deferred tax liability	(56,392)	(56,392)
	88,204	88,204
	<u>27,213,335</u>	<u>27,291,734</u>
20.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims		
Surplus on revaluation as at January 01	209,594	164,304
Surplus recognised during the year	132,680	49,570
Surplus realised on disposal during the year	(118,210)	(4,280)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	-	-
Related deferred tax liability on incremental depreciation charged during the year	-	-
Surplus on revaluation as at December 31	224,064	209,594
Less: related deferred tax liability on		
- Revaluation as at January 01	-	-
- Surplus recognised during the year	-	-
- Incremental depreciation charged during the year	-	-
	-	-
	<u>224,064</u>	<u>209,594</u>
21 CONTINGENCIES AND COMMITMENTS		
- Guarantees	21.1 294,405,293	202,220,786
- Commitments	21.2 1,086,117,729	795,974,261
- Other contingent liabilities	21.3 25,778,718	23,966,530
	<u>1,406,301,740</u>	<u>1,022,161,577</u>
21.1 Guarantees:		
Financial guarantees	88,017,271	64,395,790
Performance guarantees	164,583,833	126,593,020
Other guarantees	41,804,189	11,231,976
	<u>294,405,293</u>	<u>202,220,786</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021	2020
		(Rupees in '000)	
21.2 Commitments:			
Trade-related contingent liabilities		306,324,680	153,394,723
Commitments in respect of:			
- forward foreign exchange contracts	21.2.1	601,681,574	436,716,313
- forward Government securities transactions	21.2.2	93,562,463	150,757,178
- derivatives	21.2.3	42,049,128	38,504,637
- forward lending	21.2.4	30,412,479	11,085,983
		767,705,644	637,064,111
Commitments for acquisition of:			
- fixed assets		10,202,010	4,389,650
- intangible assets		1,885,395	1,125,777
		12,087,405	5,515,427
		<u>1,086,117,729</u>	<u>795,974,261</u>
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		340,760,829	261,220,544
Sale		260,920,745	175,495,769
		<u>601,681,574</u>	<u>436,716,313</u>
21.2.2 Commitments in respect of forward Government securities transactions			
Purchase		27,830,190	96,427,590
Sale		65,732,273	54,329,588
		<u>93,562,463</u>	<u>150,757,178</u>
21.2.3 Commitments in respect of derivatives			
Cross currency swaps			
Purchase		17,058,770	14,662,810
Sale		19,308,883	16,007,336
		<u>36,367,653</u>	<u>30,670,146</u>
Interest rate swaps			
Purchase		-	-
Sale		5,681,475	7,834,491
		<u>5,681,475</u>	<u>7,834,491</u>
21.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to extend credit		<u>30,412,479</u>	<u>11,085,983</u>

These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.

	2021	2020
	(Rupees in '000)	
21.3 Other contingent liabilities		
21.3.1 Claims against the Group not acknowledged as debts	<u>25,778,718</u>	<u>23,966,530</u>

These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Group and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these consolidated financial statements.

21.3.2 There were no tax related contingencies as at the year end.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

22 DERIVATIVE INSTRUMENTS

A derivative is a financial instrument whose value changes in response to changes in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or a similar variable, sometimes called the underlying. Derivatives include forwards, futures, swaps, options and structured financial products that have one or more of the characteristics of forwards, futures, swaps and options.

The Bank, as an Authorized Derivative Dealer (ADD), is an active participant in the Pakistan derivatives market. The ADD license covers only the transactions mentioned below, which are permitted under the Financial Derivatives Business Regulations issued by the SBP.

- (a) Foreign Currency Options
- (b) Forward Rate Agreements
- (c) Interest Rate Swaps
- (d) Cross Currency Swaps

However, the Bank also offers other derivative products to satisfy customer requirements, specific approval of which is sought from the SBP on a transaction by transaction basis.

These transactions cover the aspects of both market making and hedging. The risk management processes and policies related to derivatives are disclosed in note 45.5 to these consolidated financial statements.

22.1 Product Analysis

Counterparties	2021			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
----- (Rupees in '000) -----				
With Banks for				
Hedging	-	-	-	-
Market Making	796,114	(61,263)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	1,388,034	(42,353)	875,000	(43,325)
With other entities for				
Hedging	-	-	-	-
Market Making	34,183,505	(2,086,104)	4,806,475	(140,304)
Total				
Hedging	-	-	-	-
Market Making	36,367,653	(2,189,720)	5,681,475	(183,629)
Counterparties	2020			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market gain / (loss)
----- (Rupees in '000) -----				
With Banks for				
Hedging	-	-	-	-
Market Making	3,025,355	(347,559)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	-	-	1,125,000	(5,039)
With other entities for				
Hedging	-	-	-	-
Market Making	27,644,791	(992,706)	6,709,491	78,421
Total				
Hedging	-	-	-	-
Market Making	30,670,146	(1,340,265)	7,834,491	73,382

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

22.2 Maturity Analysis

2021					
Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market		
			Loss	Gain	Net
			(Rupees in '000)		
Upto 1 Month	-	-	-	-	-
1 to 3 Months	2	695,996	(19,167)	-	(19,167)
3 Months to 6 Months	1	166,232	(10,699)	-	(10,699)
6 Months to 1 Year	1	662,777	(44,794)	-	(44,794)
1 to 2 Years	4	5,530,524	(313,312)	8,720	(304,592)
2 to 3 Years	18	7,611,233	(300,853)	-	(300,853)
3 to 5 Years	13	18,431,979	(1,865,403)	-	(1,865,403)
5 to 10 Years	1	1,849,431	(70,724)	-	(70,724)
Over 10 Years	2	7,100,956	-	242,883	242,883
	42	42,049,128	(2,624,952)	251,603	(2,373,349)
2020					
Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market		
			Loss	Gain	Net
			(Rupees in '000)		
Upto 1 Month	2	1,327,861	(93,873)	-	(93,873)
1 to 3 Months	-	-	-	-	-
3 Months to 6 Months	1	223,403	(43,194)	-	(43,194)
6 Months to 1 Year	3	1,743,055	(188,796)	11,652	(177,144)
1 to 2 Years	3	1,861,623	(27,955)	1,360	(26,595)
2 to 3 Years	2	5,016,822	(68,160)	86,547	18,387
3 to 5 Years	19	7,522,290	(18,820)	40,599	21,779
5 to 10 Years	10	20,809,583	(1,009,002)	42,759	(966,243)
	40	38,504,637	(1,449,800)	182,917	(1,266,883)

	2021	2020
	(Rupees in '000)	
23 MARK-UP / RETURN / PROFIT / INTEREST EARNED		
On:		
Loans and advances	111,742,121	116,793,732
Investments	143,232,732	148,742,484
Lendings to financial institutions	6,849,788	5,027,219
Balances with banks	429,321	673,823
	<u>262,253,962</u>	<u>271,237,258</u>

24 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		
On:		
Deposits	98,637,738	108,385,506
Securities sold under repurchase agreement borrowings	16,759,954	15,423,539
Borrowings	5,674,142	7,131,338
Subordinated debt	1,239,075	2,603,244
Cost of foreign currency swaps against foreign currency deposits / borrowings	5,271,210	5,668,401
Lease liability against right-of-use assets	3,252,794	1,920,912
	<u>130,834,913</u>	<u>141,132,940</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

		Note	2021	2020
			(Rupees in '000)	
25	FEE AND COMMISSION INCOME			
	Branch banking customer fees		4,047,841	3,360,355
	Consumer finance related fees		1,891,195	1,530,759
	Card related fees (debit and credit cards)		7,115,545	4,180,720
	Credit related fees		2,077,434	1,417,506
	Investment banking fees		1,433,819	1,159,272
	Commission on trade related products and guarantees		4,120,181	3,235,790
	Commission on cash management		933,927	801,645
	Commission on remittances (including home remittances)		508,874	354,348
	Commission on bancassurance		918,994	1,171,097
	Commission on Government to Person (G2P) payments		323,595	578,707
	Management fee		573,091	593,808
	Merchant discount and interchange fees		3,658,025	2,311,195
	Wealth management fee		692,119	540,951
	Others		515,166	362,149
			<u>28,809,806</u>	<u>21,598,302</u>
	Less: Sales tax / Federal Excise Duty on fee and commission income		<u>(3,376,451)</u>	<u>(2,802,563)</u>
			<u><u>25,433,355</u></u>	<u><u>18,795,739</u></u>
26	GAIN ON SECURITIES - NET			
	Realised	26.1	957,138	7,017,346
	Unrealised - held-for-trading	8.1	67,246	37,528
			<u>1,024,384</u>	<u>7,054,874</u>
26.1	Gain / (loss) on securities - realised			
	On:			
	Federal Government securities			
	- Market Treasury Bills		60,564	5,223,854
	- Pakistan Investment Bonds		1,613,120	3,063,002
	- Ijarah Sukuks		(34,707)	(148,619)
	Shares		(600,139)	(1,027,158)
	Non-Government debt securities		(108,839)	(109,067)
	Foreign securities		27,139	15,334
			<u>957,138</u>	<u>7,017,346</u>
27	OTHER INCOME			
	Incidental charges		517,364	299,222
	Exchange gain realised on partial repatriation of branch capital		404,080	-
	Exchange gain realised on liquidation of subsidiary		1,919	1,743,205
	Exchange loss realised on closure of Bank branch		-	(1,887,208)
	Gain on sale of fixed assets - net		79,639	86,580
	Gain on sale of non-banking assets	27.1	16,000	2,500
	Rent on properties		25,045	75,490
	Liabilities no longer required written back		111,714	55,808
			<u>1,155,761</u>	<u>375,597</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

27.1 The Group earned a gain of Rs 16 million (2020: 2,500 million) against the sale of the following non-banking assets.

	Note	2021 (Rupees in '000)	2020
Open plots situated in Lahore		-	2,500
Open plot situated in Karachi		16,000	-
		<u>16,000</u>	<u>2,500</u>

28 OPERATING EXPENSES

Total compensation expense	28.1	40,307,231	39,982,379
Property expense			
Rent and taxes		1,186,054	1,344,128
Insurance		152,090	115,447
Utilities cost		2,677,005	2,176,574
Security (including guards)		2,191,164	2,051,647
Repairs and maintenance (including janitorial charges)		2,664,535	2,111,535
Depreciation on owned fixed assets	10.2	3,492,793	3,134,963
Depreciation on right-of-use assets	10.2	3,384,774	3,795,518
Reversal of impairment	10.2	-	(158,708)
		15,748,415	14,571,104
Information technology expenses			
Software maintenance		3,929,734	3,218,990
Hardware maintenance		924,247	760,728
Depreciation	10.2	2,486,376	1,976,999
Amortisation	11.1	1,061,035	799,329
Network charges		1,419,573	1,257,260
Consultancy charges		740,926	699,542
		10,561,891	8,712,848
Other operating expenses			
Legal and professional charges		926,027	3,133,505
Outsourced services costs		1,792,853	1,704,932
Travelling and conveyance		1,044,017	728,746
Insurance		912,195	843,709
Remittance charges		582,145	568,978
Security charges		2,019,915	1,612,002
Repairs and maintenance		1,487,260	1,341,562
Depreciation	10.2	990,023	850,591
Training and development		219,081	203,348
Postage and courier charges		773,469	662,311
Communication		921,580	766,346
Stationery and printing		1,966,197	1,640,255
Marketing, advertisement and publicity		3,197,006	2,523,453
Donations	28.3	508,056	527,573
Auditors' remuneration	28.4	288,512	309,677
Brokerage and commission		747,179	758,724
Subscription		384,755	280,824
Documentation and processing charges		3,792,520	2,558,739
Entertainment		388,861	331,083
Consultancy charges		518,614	3,876,795
Deposit insurance premium expense		2,504,487	2,232,083
Product feature cost		2,145,231	1,321,809
COVID-19 related expenses	28.5	204,929	608,015
Others		852,520	1,367,014
	28.2	29,167,432	30,752,074
		<u>95,784,969</u>	<u>94,018,405</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

28.1	Total compensation expense	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
	Non-Executive Directors' fees	39.2	86,400	84,000
	Shariah Board's fees and allowances	39.3	27,982	12,807
	Managerial Remuneration			
	i) Fixed		22,818,147	22,811,698
	ii) Variable		4,096,540	3,585,780
	Charge for defined benefit plan		1,162,448	1,810,611
	Contribution to defined contribution plan		1,216,120	1,164,948
	Rent and house maintenance		4,659,186	4,131,721
	Utilities		1,067,706	954,781
	Medical		2,121,835	2,025,173
	Conveyance		2,678,053	2,330,296
	General group staff insurance		59,829	39,703
	Hajj Allowance		-	39,918
	Sub-total		39,994,246	38,991,436
	Sign-on bonus		21,043	134,710
	Severance payments		291,942	856,233
	Grand Total		40,307,231	39,982,379
			No. of persons	
	Sign-on bonus		27	52
	Severance payments		57	106

28.2 The total cost for the year included in other operating expenses relating to outsourced activities is Rs 2,275.438 million (2020: Rs 2,119.076 million). This cost includes outsourced services costs, which are disclosed specifically in note 28. Of the total cost, Rs 1,934.840 million (2020: Rs 1,820.929 million) pertains to companies incorporated in Pakistan and Rs 340.598 million (2020: Rs 298.147 million) pertains to companies incorporated outside Pakistan. The material outsourcing arrangements along with the nature of services provided by them are as follows:

Name of company	Nature of service	2021 (Rupees in '000)	2020 (Rupees in '000)
A.S.C. First Solutions (Pvt) Limited	Document archival and storage for Pakistan	122,005	121,364
Euronet Pakistan (Private) Limited	Host environment configuration, POS terminal and card outsourcing services	51,155	74,824
First Solutions	Document archival and storage for UAE	13,941	4,464
Iron Mountain Information Management LLC	Document archival and storage for New York	2,866	3,017
Interactive Printer Solutions W.L.L (NCR Subsidiary)	Printing of chequebooks and banker's cheques for HBL Bahrain	1,324	920
Recall Bangladesh Limited	Document archival and storage for Bangladesh	1,045	-
		192,336	204,589

28.3 Details of Donations

Donations individually exceeding Rs 100,000		
HBL Foundation	405,576	315,431
The Aga Khan Hospital & Medical College Foundation	77,230	157,360
International Parliamentarians' Congress	25,000	30,000
National Institute of Child Health Trust	250	-
Zindagi Trust	-	10,000
Covid-19 fund established by Government of Bahrain	-	6,439
Progressive Education Network	-	5,000
Patients' Aid Foundation	-	2,000
The Citizens Foundation	-	831
Professional Education Foundation	-	300
Gazanfar Ali - for automation of judicial offices	-	186
Donations individually not exceeding Rs 100,000	-	26
	508,056	527,573

Mr. Muhammad Aurangzeb, President and Chief Executive Officer, Mr. Sagheer Mufti, Chief Operating Officer, Mr. Rayomond Kotwal, Chief Financial Officer and Mr. Jamal Nasir, Chief Human Resources Officer are Trustees of the HBL Foundation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

28.4 Auditors' remuneration

	2021			2020		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)					
Audit and audit related fees						
Audit fee of the Bank	27,901	101,947	129,848	27,901	78,615	106,516
Audit fee of subsidiaries	4,408	48,144	52,552	4,164	51,998	56,162
Fees for other statutory and related certifications	28,251	7,073	35,324	24,763	6,682	31,445
Fees for other statutory certifications of subsidiaries	1,050	17,278	18,328	650	17,658	18,308
Out of pocket expenses on audit fees	6,939	2,467	9,406	6,016	413	6,429
Sales tax on audit fees	2,787	6,390	9,177	2,713	1,638	4,351
	71,336	183,299	254,635	66,207	157,004	223,211
Other services						
Special certifications and sundry advisory services	7,190	25,868	33,058	27,571	44,401	71,972
Tax services	-	-	-	10,407	-	10,407
Out of pocket expenses	25	152	177	557	-	557
Sales tax on other services	523	119	642	3,407	123	3,530
	7,738	26,139	33,877	41,942	44,524	86,466
	79,074	209,438	288,512	108,149	201,528	309,677

28.5 These represent expenses incurred for the health and safety of employees and customers and for CSR activities during the on-going pandemic.

29 WORKERS' WELFARE FUND

The Group has made a provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
30 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		549,685	296,416
Penalties imposed by other regulatory bodies		7,513	24,377
		557,198	320,793

31 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET

Reversal of diminution in value of investments	8.8	(1,258,723)	(309,323)
Provision against loans and advances	9.5	7,645,044	12,059,829
Provision against other assets	12.2.1	190,136	658,088
Provision against off-balance sheet obligations	18.1	1,540,508	384,791
Recoveries against written off / charged off bad debts		(842,786)	(609,603)
Recoveries against other assets written off		(10,724)	(63,620)
Fixed Assets written off		133,851	-
Other write offs and operational losses		608,730	-
Bad debts written off directly	9.8.1	81,069	99,452
		8,087,105	12,219,614

32 TAXATION

- Current			
- For the year		25,048,468	21,848,281
- Prior years		436,755	(253,441)
		25,485,223	21,594,840
- Deferred			
- For the year		225,444	(280,043)
- Prior years		810,371	802,490
	17.1	1,035,815	522,447
		26,521,038	22,117,287

32.1 Relationship between tax expense and accounting profit

Accounting profit for the current year	62,027,911	53,030,636
Tax on income @ 39% (2020: 39%)	24,190,885	20,681,948
Permanent differences		
- Impact of different tax rates of subsidiaries	195,875	636,185
- Penalties imposed by the SBP and other regulatory bodies	217,300	125,109
- Additional tax @ 2.5% on additional income from Federal Government Securities	727,129	177,770
- Others	(57,277)	(52,774)
	1,083,027	886,290
Prior years - charge	1,247,126	549,049
Tax charge for the current year	26,521,038	22,117,287

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

32.2 The income tax returns of the Bank have been submitted up to and including the accounting year 2020. The tax returns submitted are deemed assessments under section 120 of the Income Tax Ordinance, 2001.

The Income Tax Department has amended the assessments of the Bank for prior years, upto and including the tax year 2018. The amendments mainly relate to retirement benefits and to provisions against loans and advances, investments, and other assets. These matters are at various stages of appeal with the appellate authorities. The management of the Bank, in consultation with its tax advisors, is confident that the decisions in respect of these appeals would be in the Bank's favor.

The income tax returns of the Bank's Azad Kashmir, Gilgit-Baltistan and overseas branches have been submitted up to and including the accounting year 2020. The tax returns submitted in Azad Kashmir and Gilgit Baltistan are considered as deemed assessments under section 120 of the Income Tax Ordinance, 2001.

The income tax returns of domestic and overseas subsidiaries have been submitted to the respective tax authorities up to and including the accounting year 2020.

	2021 (Rupees in '000)	2020 (Rupees in '000)
33 BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the year attributable to equity holders of the Bank	35,021,853	30,892,271
	(Number)	
Weighted average number of ordinary shares	1,466,852,508	1,466,852,508
	(Rupees)	
Basic and diluted earnings per share	23.88	21.06

33.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
34 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	5	441,252,246	375,280,120
Balances with other banks	6	64,438,075	56,533,829
		505,690,321	431,813,949

34.1 Reconciliation of movement in liabilities to cash flows arising from financing activities

	2021				
	Liabilities		Equity		
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit	Non-controlling interest
	(Rupees in '000)				
Balance as at January 01, 2021	22,356,000	129,910,297	72,062,025	138,208,223	4,551,560
Changes from financing cash flows					
Repayment of subordinated debt	(9,982,000)	-	-	-	-
Dividend paid	-	-	-	(10,855,155)	-
Payment of lease liability against right-of-use assets	-	(5,113,819)	-	-	-
Effect of translation of net investment by non-controlling interest in subsidiary	-	-	-	-	85,115
	(9,982,000)	(5,113,819)	-	(10,855,155)	85,115
Other changes:					
Liability-related					
Changes in other liabilities					
- Cash based	-	16,006,633	-	-	-
- Dividend payable	-	1,246,377	-	(1,246,377)	-
- Non-cash based	-	11,822,866	-	-	-
Transfer of profit to statutory reserve	-	-	3,840,971	(3,840,971)	-
Total liability related other changes	-	29,075,876	3,840,971	(5,087,348)	-
Equity related	-	-	5,472,523	36,175,698	(595,706)
Balance as at December 31, 2021	12,374,000	153,872,354	81,375,519	158,441,418	4,040,969

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2020				
	Liabilities		Equity		
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit	Non-controlling interest
	(Rupees in '000)				
Balance as at January 01, 2020	22,360,000	124,346,615	66,260,511	114,550,097	4,396,996
Changes from financing cash flows					
Repayment of subordinated debt	(4,000)	-	-	-	-
Dividend paid	-	-	-	(3,664,234)	-
Payment of lease liability against right-of-use assets	-	(4,762,581)	-	-	-
Dividend paid	-	-	-	-	-
Effect of translation of net investment by non-controlling interest in subsidiary	-	-	-	-	76,720
	(4,000)	(4,762,581)	-	(3,664,234)	76,720
Other changes:					
Liability-related					
Changes in other liabilities					
- Cash based	-	1,867,053	-	-	-
- Dividend payable	-	2,896	-	(2,896)	-
- Non-cash based	-	8,456,314	-	-	-
Transfer of profit to statutory reserve	-	-	3,360,305	(3,360,305)	-
Total liability related other changes	-	10,326,263	3,360,305	(3,363,201)	-
Equity related	-	-	2,441,209	30,685,561	77,844
Balance as at December 31, 2020	<u>22,356,000</u>	<u>129,910,297</u>	<u>72,062,025</u>	<u>138,208,223</u>	<u>4,551,560</u>

	2021	2020
	(Number)	
35 STAFF STRENGTH		
Permanent	21,703	20,795
On contract	114	94
Total staff strength	<u>21,817</u>	<u>20,889</u>

35.1 In addition to the above, 3,112 employees (2020: 3,175 employees) of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than janitorial services and as guards.

	2021	2020
	(Number)	
35.2 Staff strength bifurcation		
Domestic	21,104	20,149
Overseas	713	740
	<u>21,817</u>	<u>20,889</u>

36 DEFINED BENEFIT PLANS AND OTHER BENEFITS

36.1 General Information

The Bank operates the following schemes:

36.1.1 Pension Fund (defined benefit scheme)

The Bank operates an approved pension scheme for those of its employees who opted for this scheme when it was introduced in 1977. This scheme is applicable to:

- All clerical employees
- Executives and officers who joined the Bank during the period from May 01, 1977 till December 31, 2001 and those who joined the Bank prior to introduction of the scheme and opted for this scheme when it was introduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

For clerical employees, the benefit is based on their actual years of service as of the statement of financial position date and their current salary and for executives and officers, the benefit is based on their years of service up to March 31, 2005 and their basic salary as on March 31, 2014. For service subsequent to this date (i.e. from April 01, 2005), they are entitled to the Bank's contributory provident fund (refer note 37.1) and the Bank's contributory gratuity fund (refer note 37.2). Eligible employees are entitled to a certain minimum pension as per applicable rules.

36.1.2 Benevolent Fund (defined benefit scheme)

The Bank operates an approved funded benevolent fund scheme for all employees who retire from the Bank and who joined on or before December 31, 2018. Under this scheme, a fixed monthly contribution is made by employees by way of a salary deduction and a matching monthly contribution is made by the Bank. Post retirement, all eligible employees are entitled to receive a fixed monthly amount or a one-time lump sum payment in lieu of a fixed monthly amount, as per the rules of the Fund. Clerical employees are additionally entitled to certain grants during the period of their service subject to the fulfilment of certain conditions as specified in the rules of the Fund.

36.1.3 Post-Retirement Medical Benefits (defined benefit scheme)

The Bank operates a non-funded scheme for post-retirement medical benefits to all employees.

All clerical employees receive these benefits as reimbursements when incurred. Executives and officers who retired prior to January 1, 2006, also receive these benefits as reimbursements when incurred. Executives and officers who have retired from January 01, 2006 onwards receive lump sum payments as a full and final settlement in lieu of post-retirement medical benefits.

36.1.4 Compensated Absences (defined benefit scheme)

The Bank maintains a non-funded scheme for compensated absences. This is applicable to those employees who were in the service of the Bank as of December 31, 2008 and who had accumulated leave balances up to a maximum of 365 days as at that date. Employees are entitled to proceed on Leave Prior to Retirement (LPR) upto the amount of their accrued leave while continuing to receive their gross salary. This benefit vests on retirement or, in the case of premature retirement, on the completion of 30 years of service.

Employees may be required by the Bank to continue working during the whole or a part of their LPR period. Such employees are entitled to gross salary and certain benefits during the period they are required to work and, additionally, to leave encashment amounting to 50% of this period.

Clerical employees have the option of not proceeding on LPR and instead encashing 50% of their accumulated leave balance upto a maximum of 180 days.

36.1.5 Other Post-Retirement Benefits (defined benefit scheme)

The Bank offers an additional benefit to all executives on retirement. Under this scheme, a lump sum amount equal to six months of house rent allowance, utilities allowance, car benefit allowance and conveyance allowance is paid to the executive on retirement. However, in case of the death in service of an executive prior to retirement, the lump sum amount includes an additional six months of house rent allowance.

36.1.6 Pension and Life Assurance Scheme (defined benefit scheme)

The Bank operates a pension and life assurance scheme for those employees who joined its UK operations prior to December 26, 2001. The scheme was established with effect from May 01, 1978 under a Trust Deed of that date and is governed by that Trust Deed together with various supplemental and amending deeds executed over the lifetime of the scheme.

The triennial actuarial valuation as at May 01, 2019 revealed a deficit of £1.7 million under the Statement of Funding Principles (SFP). In order to address this deficit, the Bank is paying £50,500 per month for three years starting from September 01, 2020.

36.1.7 Other schemes

Employee benefit schemes offered by the Bank's overseas branches are governed by the laws of the respective countries in which the branches operate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

36.2 Principal actuarial assumptions

The latest actuarial valuation was carried out as at December 31, 2021 using the Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2021	2020
	(Per annum)	
Valuation discount rate	11.75%	9.75%
Expected rate of increase in salary level	10.75%	8.75%
Expected rate of increase in pension	5.00%	5.00%
Expected rate of increase in medical benefit	9.75%	7.75%
Expected rate of return on funds invested	11.75%	9.75%

36.3 Number of beneficiaries under the scheme

(Number)

Pension fund	6,636	6,705
Benevolent fund	14,631	15,379
Post retirement medical benefit scheme	19,460	18,708
Compensated absences	3,405	3,975
Other Post-Retirement Benefits	2,494	2,188

36.4 Pension, gratuity, benevolent fund schemes and other benefits

36.4.1 The fair value of plan assets and the present value of defined benefit obligations of funded schemes as at December 31, 2021 are as follows:

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value of plan assets	6,917,325	2,754,021	6,218,050	2,583,853
Present value of defined benefit obligations	(6,157,971)	(1,103,573)	(7,003,540)	(1,079,752)
Receivable / (payable)	759,354	1,650,448	(785,490)	1,504,101

36.4.2 The present value of defined benefit obligations of non-funded schemes as at December 31, 2021 are as follows:

	2021			2020		
	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)					
Present value of defined benefit obligations	(4,557,833)	(2,177,565)	(667,894)	(3,763,654)	(2,492,992)	(585,038)

36.4.3 Movement in the present value of defined benefit obligations

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	7,003,540	1,079,752	3,763,654	2,492,992	585,038
Current service cost	78,909	33,695	156,356	63,683	106,377
Interest cost	673,653	102,679	366,095	227,677	59,070
Benefits paid by the Bank	(508,879)	(139,919)	(318,328)	(418,729)	(69,657)
Remeasurement (gains) / losses	(1,089,252)	27,366	590,056	(188,058)	(12,934)
Obligations at the end of the year	6,157,971	1,103,573	4,557,833	2,177,565	667,894

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2020				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	6,143,431	993,646	3,872,768	2,644,978	508,589
Current service cost	75,580	31,162	138,076	68,744	92,450
Interest cost	681,720	108,910	432,948	280,079	58,845
Benefits paid by the Bank	(461,582)	(139,344)	(286,937)	(430,515)	(73,503)
Remeasurement (gains) / losses	564,391	85,378	(393,201)	(70,294)	(1,343)
Obligations at the end of the year	<u>7,003,540</u>	<u>1,079,752</u>	<u>3,763,654</u>	<u>2,492,992</u>	<u>585,038</u>

36.4.4 Movement in fair value of plan assets

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value at the beginning of the year	6,218,050	2,583,853	5,565,467	2,372,581
Expected return on plan assets	597,047	242,664	620,075	255,987
Contribution by the Bank	785,490	33,420	577,964	38,752
Contributions by employees	-	33,420	-	38,752
Benefits paid by the Bank	(508,879)	(139,919)	(461,582)	(139,344)
Remeasurement (losses) / gains	(174,383)	583	(83,874)	17,125
Fair value at the end of the year	<u>6,917,325</u>	<u>2,754,021</u>	<u>6,218,050</u>	<u>2,583,853</u>

36.4.5 Movement in amounts payable / (receivable)

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Opening balance	785,490	(1,504,101)	3,763,654	2,492,992	585,038
Charge / (reversal) for the year	155,515	(139,710)	522,451	103,302	165,447
Contribution by the Bank - net	(785,490)	(33,420)	-	-	-
Remeasurement (gains) / losses recognised in OCI during the year	(914,869)	26,783	590,056	-	(12,934)
Benefits paid by the Bank	-	-	(318,328)	(418,729)	(69,657)
Closing balance	<u>(759,354)</u>	<u>(1,650,448)</u>	<u>4,557,833</u>	<u>2,177,565</u>	<u>667,894</u>

	2020				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Opening balance	577,964	(1,378,935)	3,872,768	2,644,978	508,589
Charge / (reversal) for the year	137,225	(154,667)	571,024	278,529	151,295
Contribution by the Bank - net	(577,964)	(38,752)	-	-	-
Remeasurement losses / (gains) recognised in OCI during the year	648,265	68,253	(393,201)	-	(1,343)
Benefits paid by the Bank	-	-	(286,937)	(430,515)	(73,503)
Excess funds returned to the Bank	-	-	-	-	-
Closing balance	<u>785,490</u>	<u>(1,504,101)</u>	<u>3,763,654</u>	<u>2,492,992</u>	<u>585,038</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

36.4.6 Charge for defined benefit plans

36.4.6.1 Cost recognised in profit and loss

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Current service cost	78,909	33,695	156,356	63,683	106,377
Net interest on defined benefit asset / (liability)	76,606	(139,985)	366,095	227,677	59,070
Actuarial losses recognised	-	-	-	(188,058)	-
Contributions by the employees	-	(33,420)	-	-	-
	<u>155,515</u>	<u>(139,710)</u>	<u>522,451</u>	<u>103,302</u>	<u>165,447</u>

	2020				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Current service cost	75,580	31,162	138,076	68,744	92,450
Net interest on defined benefit asset / liability	61,645	(147,077)	432,948	280,079	58,845
Actuarial losses recognised	-	-	-	(70,294)	-
Contributions by the employees	-	(38,752)	-	-	-
	<u>137,225</u>	<u>(154,667)</u>	<u>571,024</u>	<u>278,529</u>	<u>151,295</u>

36.4.6.2 Remeasurements recognised in OCI during the year

	2021			
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post-Retirement Benefits
	(Rupees in '000)			
(Gains) / losses on obligation				
- Financial assumptions	(864,893)	(74,841)	40,631	7,000
- Experience adjustment	(224,359)	102,207	549,425	(19,934)
	(1,089,252)	27,366	590,056	(12,934)
Losses / (gains) on plan assets	174,383	(583)	-	-
Total remeasurement (gains) / losses recognised in OCI	<u>(914,869)</u>	<u>26,783</u>	<u>590,056</u>	<u>(12,934)</u>

	2020			
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post-Retirement Benefits
	(Rupees in '000)			
(Gains) / losses on obligation				
- Financial assumptions	663,792	62,527	(26,683)	(4,638)
- Experience adjustment	(99,400)	22,851	(366,518)	3,295
	564,392	85,378	(393,201)	(1,343)
Losses / (gains) on plan assets	83,873	(17,125)	-	-
Total remeasurement losses / (gains) recognised in OCI	<u>648,265</u>	<u>68,253</u>	<u>(393,201)</u>	<u>(1,343)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

36.4.7 Components of fair value of plan assets

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Cash and cash equivalents - net	635,488	11,473	5,164	68,856
Government securities	5,431,704	2,675,335	5,253,313	2,448,137
Shares	850,133	-	959,573	-
Non-Government debt securities	-	67,214	-	66,860
	<u>6,917,325</u>	<u>2,754,022</u>	<u>6,218,050</u>	<u>2,583,853</u>

The funds primarily invest in Government securities (Market Treasury Bills, Pakistan Investment Bonds and Special Savings Certificates) which do not carry any credit risk but are subject to interest rate risk based on market movements. Equity securities are subject to price risk whereas non-Government debt securities are subject to both credit risk and interest rate risk. These risks are regularly monitored by the Trustees of the employee funds.

36.4.8 Sensitivity analysis of defined benefit obligations

A sensitivity analysis has been performed by varying one assumption while keeping all other assumptions constant and calculating the impact on the present value of defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of changes in each assumption is summarized below:

	2021				
	Pension Fund	Benevolent Fund	Post retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
1% increase in discount rate	(427,958)	(32,574)	(460,599)	(81,268)	(48,578)
1% decrease in discount rate	494,931	35,643	556,763	87,477	55,251
1% increase in expected rate of salary increase	98,497	-	-	97,301	58,509
1% decrease in expected rate of salary increase	(92,366)	-	-	(91,794)	(52,206)
1% increase in expected rate of increase in minimum pension	245,755	-	-	-	-
1% decrease in expected rate of increase in minimum pension	(206,020)	-	-	-	-
1% increase in expected rate of increase in medical benefit	-	-	172,806	-	-
1% decrease in expected rate of increase in medical benefit	-	-	(154,066)	-	-

36.4.9 Expected contributions to the schemes in the next financial year

The Bank contributes to the pension fund according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent fund scheme.

	2022				
	Pension Fund	Benevolent Fund	Post retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Expected charge / (reversal) for the year	<u>(420,745)</u>	<u>(162,389)</u>	<u>715,328</u>	<u>300,015</u>	<u>206,882</u>

36.4.10 Maturity profile

The weighted average duration of the obligation (in years)

	2021				
	Pension Fund	Benevolent Fund	Post retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	<u>7.57</u>	<u>5.51</u>	<u>10.07</u>	<u>7.46</u>	<u>7.74</u>

36.4.11 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the assets of the Fund on any valuation date, based on actuarial assumptions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

36.4.12 The significant risks associated with the defined benefit schemes are as follows:

Mortality risks

The risk that the actual mortality experience is different. The impact depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk that the investments of the Funds will underperform and not be sufficient to meet the liabilities.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The impact depends on the beneficiaries' service / age distribution and the benefit.

37 DEFINED CONTRIBUTION PLANS

37.1 Provident Fund

For employees hired on or after January 01, 2002, the Bank operates an approved provident fund under which both the Bank and the employees make monthly contributions as follows:

For executives and officers	6% of basic salary
For clerical staff	12% of basic salary

Executives and officers hired upto December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for the Bank's contributory provident fund benefits effective April 01, 2005.

This scheme covers 14,991 employees (2020: 15,509 employees).

Payments are made to employees on retirement, death, resignation and discharge as specified in the rules of the Fund.

37.2 Contributory Gratuity Fund

For employees hired on or after January 01, 2002, the Bank operates an approved funded Bank contributory gratuity scheme. Executives and officers hired up to December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for gratuity fund benefits effective April 01, 2005.

The Bank contributes an amount equal to half of the employees' monthly basic salary for each completed year of service and, on a pro-rata basis, for partially completed years of service. Payments are made to the employees on retirement, death, resignation after completion of at least 10 years of continuous service, and discharge as specified in the rules of the Fund.

This scheme covers 15,873 employees (2020: 15,100 employees).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

38 DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS OF SUBSIDIARY COMPANIES

38.1 General information

Employee benefits offered by subsidiary companies are as follows:

38.1.1 HBL Bank UK Limited

Pension Fund (defined contribution scheme)

HBL Bank UK (HBL UK) operates a defined contribution pension scheme for its employees. Under current UK legislation, employees have the right to opt out of the pension scheme. HBL UK contributes an amount equal to 5% of each member's monthly basic salary and the cost is recognised when the contributions are made. The minimum employee contribution is 3% of basic salary, but the contribution can be increased at the discretion of the employee. The total amount contributed by the Bank and the employee is capped at £40,000 per annum.

38.1.2 HBL Asset Management Limited (HBL AMC)

Gratuity Fund (defined benefit scheme)

HBL AMC operates an approved defined benefit gratuity fund for all employees, with a vesting period of 5 years. Eligible employees are entitled to half of one month's basic salary for each completed year of service, with partially completed years rounded off to the nearest year. Payments are made to employees upon retirement, resignation or death. Actuarial valuations are conducted annually by an independent actuary, using the Projected Unit Credit Method.

Provident Fund (defined contribution scheme)

HBL AMC also operates a defined contribution provident fund scheme for its eligible employees. Monthly contributions are made by HBL AMC and its employees at 8.33% of basic salary in accordance with the rules of the Fund.

38.1.3 HBL Microfinance Bank Limited (HBL MFB)

Gratuity Fund (defined benefit scheme)

HBL MFB operates an approved defined benefit gratuity fund for all employees, with a vesting period of 5 years. Eligible employees are entitled to one month's basic salary for each completed year of service, with partially completed years paid on a pro-rata basis for partially completed years of service. Payments are made to employees upon retirement, resignation or death. Actuarial valuations are conducted annually by an independent actuary, using the Projected Unit Credit Method.

Provident Fund (defined contribution scheme)

HBL MFB also operates a defined contribution provident fund scheme for its eligible employees. Monthly contributions are made by HBL MFB and its employees at 10% of basic salary in accordance with the rules of the Fund.

38.1.4 HBL Currency Exchange (Private) Limited (HCEL)

Gratuity Fund (defined contribution scheme)

HCEL operates an approved defined benefit gratuity fund for all employees, with a vesting period of 5 years. Eligible employees are entitled to half of the employees' monthly basic salary for each completed year of service. Payments are made to employees upon retirement, resignation or death.

Provident Fund (defined contribution scheme)

HCEL also operates a defined contribution provident fund scheme for its eligible employees. Monthly contributions are made by HCEL and its employees at 6% of basic salary, in accordance with the rules of the Fund.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

39.1 Total Compensation Expense

Items	2021						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non- Executive				
Fees and Allowances etc.	12,000	-	74,400	27,982	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	147,350	830,084	966,085
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	84,000	412,469	274,272
- Bonus paid in shares	-	-	-	-	10,916	54,397	22,716
- Guaranteed Bonus	-	-	-	-	-	-	4,264
Charge for defined benefit plan	-	-	-	-	-	2,989	1,055
Contribution to defined contribution plan	-	-	-	-	-	41,624	61,272
Rent & house maintenance	-	-	-	-	16,625	237,248	307,365
Utilities	-	-	-	-	1,425	47,294	64,918
Medical	-	-	-	-	1,818	51,956	61,729
Conveyance	-	-	-	-	3,529	88,149	236,562
Others	-	-	-	-	-	-	431
Sub-total	12,000	-	74,400	27,982	265,663	1,766,210	2,000,669
Sign-on bonus	-	-	-	-	-	-	12,000
Grand Total	12,000	-	74,400	27,982	265,663	1,766,210	2,012,669
Total Number of Persons	1	-	7	3	1	32	131
Sign-on bonus - Number of Persons	-	-	-	-	-	-	1
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	2
	2020						
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non- Executive				
	Fees and Allowances etc.	12,600	-	71,400	12,807	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	138,669	812,435	1,019,471
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	63,000	364,113	211,946
- Guaranteed Bonus	-	-	-	-	-	-	2,699
Charge for defined benefit plan	-	-	-	-	-	1,217	1,814
Contribution to defined contribution plan	-	-	-	-	-	36,161	58,140
Rent & house maintenance	-	-	-	-	12,900	223,024	284,814
Utilities	-	-	-	-	1,229	44,498	60,763
Medical	-	-	-	-	2,632	44,347	59,971
Conveyance	-	-	-	-	3,992	76,329	213,443
Others	-	-	-	-	-	-	43
Sub-total	12,600	-	71,400	12,807	222,422	1,602,124	1,913,104
Sign-on bonus	-	-	-	-	-	78,000	23,000
Severance payments	-	-	-	-	-	26,510	-
Grand Total	12,600	-	71,400	12,807	222,422	1,706,634	1,936,104
Total Number of Persons	1	-	5	3	1	32	135
Sign-on bonus - Number of Persons	-	-	-	-	-	2	6
Severance payments - Number of Persons	-	-	-	-	-	1	-
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

39.1.1 The total movement of deferred bonus during the year December 31, 2021 for the President / Chief Executive Officer (CEO), Key Management Personnel and Other Material Risk Takers (MRTs) / Material Risk Controllers (MRCs) is as follows:

	2021	2020
	(Rupees in '000)	
Opening balance	256,626	-
Add: deferred during the year	316,229	256,626
Less: paid / vested during the year	(82,496)	-
Less: reversed during the year	(10,761)	-
Closing balance	479,598	256,626

39.1.2 The CEO and certain Executives are provided with free club memberships. The CEO and the Chief Operating Officer (COO) are also provided with free use of Bank maintained cars in accordance with their entitlements.

39.2 **Remuneration paid to Directors for participation in Board and Committee Meetings**

2021											
Sr. No.	Name of Director	Meeting Fees and Allowances Paid									
		For Board Meetings	For Board Committees								Total Amount Paid
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)	Board Oversight Committee - International Governance (BOC IG)	
(Rupees in '000)											
1	Mr. Sultan Ali Allana	5,400	-	-	-	3,000	-	1,200	-	2,400	12,000
2	Mr. Khaleel Ahmed**	3,000	3,000	-	3,000	1,800	-	600	-	-	11,400
3	Mr. Salim Chinoy*	600	600	-	600	-	-	-	-	-	1,800
4	Mr. Shaffiq Dharamshi***	-	-	-	-	-	-	-	-	-	-
5	Mr. Moez Ahamed Jamal	5,400	4,800	-	4,800	-	1,800	-	1,800	-	18,600
6	Ms. Saba Kamal**	3,000	-	-	-	-	1,800	1,800	-	-	6,600
7	Ms. Diane Elizabeth Moore*	600	-	-	600	-	600	-	-	-	1,800
8	Mr. Salim Raza	5,400	1,200	3,600	-	600	2,400	1,800	1,800	-	16,800
9	Dr. Najeeb Samie	5,400	4,800	-	-	3,000	-	-	1,800	2,400	17,400
Total Amount Paid		28,800	14,400	3,600	9,000	8,400	6,600	5,400	5,400	4,800	86,400

* Ms. Diane Elizabeth Moore and Mr. Salim Chinoy retired from the Board on March 26, 2021 at the conclusion of their terms.

** Ms. Saba Kamal and Mr. Khaleel Ahmed assumed charge as Directors on April 29, 2021

*** Mr. Shaffiq Dharamshi is an employee of AKFED (the parent company of the Bank) and is not paid meeting fees or any other allowances.

2020											
Sr. No.	Name of Director	Meeting Fees and Allowances Paid									
		For Board Meetings	For Board Committees								Total Amount Paid
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)	Board Oversight Committee - International Governance (BOC IG)	
(Rupees in '000)											
1	Mr. Sultan Ali Allana	4,800	-	-	-	3,000	-	1,800	-	3,000	12,600
2	Mr. Salim Chinoy	4,800	4,800	-	4,800	-	-	-	-	-	14,400
3	Mr. Shaffiq Dharamshi*	-	-	-	-	-	-	-	-	-	-
4	Mr. Moez Ahamed Jamal	4,800	4,800	-	4,800	-	-	-	600	-	15,000
5	Ms. Diane Elizabeth Moore	4,800	-	-	4,800	-	2,400	-	-	-	12,000
6	Mr. Salim Raza	4,800	-	4,200	-	-	2,400	1,800	600	-	13,800
7	Dr. Najeeb Samie	4,800	4,800	-	-	3,000	-	-	600	3,000	16,200
	Total Amount Paid	28,800	14,400	4,200	14,400	6,000	4,800	3,600	1,800	6,000	84,000

In addition to the above, as per the Bank's policy, Rs 0.925 million was also paid to the Directors on account of daily allowance for attending Board and Committee meetings during the year.

* Mr. Shaffiq Dharamshi is an employee of AKFED (the parent company of the Bank) and is not paid meeting fees or any other allowances.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

39.3 Remuneration paid to Shariah Board Members

Items	2021				2020			
	Chairman	Resident Member	Non-Resident Member	Total	Chairman	Resident Member	Non-Resident Member	Total
(Rupees in '000)								
Fixed Remuneration	9,600	8,175	9,000	26,775	4,200	3,886	3,600	11,686
Allowances	119	1,002	86	1,207	50	1,071	-	1,121
Total Amount	9,719	9,177	9,086	27,982	4,250	4,957	3,600	12,807
Total Number of Persons	1	1	1	3	1	1	1	3

40 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices.

The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Fair value measurements using inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements using inputs that are not based on observable market data.

Valuation techniques used in determination of fair values within Level 2 and Level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Investment in non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Investments in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of foreign Government debt securities are determined on the basis of rates taken from Bloomberg/ Reuters.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Group enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements.

40.1 Fair value of financial assets

The following table provides the fair values of those of the Group's financial assets that are recognised or disclosed at fair value in these consolidated financial statements:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

- Federal Government securities
- Shares - listed companies
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
- Non-Government debt securities- listed
- National Investment Unit Trust units
- Real Estate Investment Trust units
- Preference Shares -Listed

As at December 31, 2021				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
1,420,281,097	-	1,420,281,097	-	1,420,281,097
6,944,521	6,944,521	-	-	6,944,521
52,060,015	40,600,000	11,460,015	-	52,060,015
624,000	-	624,000	-	624,000
75,184,024	-	75,184,024	-	75,184,024
13,067,593	-	13,067,593	-	13,067,593
46,448	-	46,448	-	46,448
60,800	60,800	-	-	60,800
780,500	780,500	-	-	780,500
1,569,048,998	48,385,821	1,520,663,177	-	1,569,048,998

Financial assets - disclosed but not measured at fair value

Investments

- Federal Government securities
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
 - Non-Government debt securities
 - Listed
 - Unlisted

296,876,834	-	281,751,196	-	281,751,196
2,365,422	-	2,376,486	-	2,376,486
22,851,835	-	22,930,932	-	22,930,932
14,672,889	-	14,823,285	-	14,823,285
260,893	-	316,157	-	316,157
614,541	-	612,981	-	612,981
337,642,414	-	322,811,037	-	322,811,037
1,906,691,412	48,385,821	1,843,474,214	-	1,891,860,035

Off-balance sheet financial instruments - measured at fair value

Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

As at December 31, 2021				
Notional value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
601,681,574	-	1,362,742	-	1,362,742
93,562,463	-	200,063	-	200,063
42,049,128	-	(2,373,349)	-	(2,373,349)

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

- Federal Government securities
- Shares - listed companies
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
- Non-Government debt securities- listed
- National Investment Unit Trust units
- Real Estate Investment Trust units
- Preference Shares - Listed

As at December 31, 2020				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
1,531,690,989	-	1,531,690,989	-	1,531,690,989
5,985,004	5,985,004	-	-	5,985,004
47,265,405	40,240,000	7,025,405	-	47,265,405
622,501	-	622,501	-	622,501
45,168,168	-	45,168,168	-	45,168,168
13,750,422	-	13,750,422	-	13,750,422
46,839	-	46,839	-	46,839
53,000	53,000	-	-	53,000
855,400	855,400	-	-	855,400
1,645,437,728	47,133,404	1,598,304,324	-	1,645,437,728

Financial assets - disclosed but not measured at fair value

Investments

- Federal Government securities
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
 - Non-Government debt securities
 - Listed
 - Unlisted

227,930,870	-	228,022,102	-	228,022,102
4,277,922	-	4,304,568	-	4,304,568
17,826,657	-	17,826,657	-	17,826,657
13,617,532	-	15,850,104	-	15,850,104
1,182,691	-	1,338,915	-	1,338,915
311,326	-	312,842	-	312,842
265,146,998	-	267,655,188	-	267,655,188
1,910,584,726	47,133,404	1,865,959,512	-	1,913,092,916

Off-balance sheet financial instruments - measured at fair value

Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

As at December 31, 2020				
Notional value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
436,716,313	-	(2,257,672)	-	(2,257,672)
150,757,178	-	(52,974)	-	(52,974)
38,504,637	-	(1,266,883)	-	(1,266,883)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

40.2 Fair value of non-financial assets

- Land and building
- Non-banking assets acquired in satisfaction of claims

As at December 31, 2021				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
53,190,296	-	-	53,190,296	53,190,296
680,986	-	-	680,986	680,986
53,871,282	-	-	53,871,282	53,871,282

As at December 31, 2020				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
52,856,178	-	-	52,856,178	52,856,178
639,379	-	-	639,379	639,379
53,495,557	-	-	53,495,557	53,495,557

41 SEGMENT INFORMATION

41.1 Segment details with respect to business activities

	For the year ended December 31, 2021									
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspon- dent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account	(Rupees in million)									
Net mark-up / return / profit / interest income	(59,926)	28,226	11,748	32,171	107,291	5,039	(139)	8,818	(1,809)	131,419
Inter segment revenue / (expense) - net	102,773	(13,743)	-	(15,728)	(85,928)	4,009	-	-	8,617	-
Non mark-up / interest income	4,151	10,483	653	4,021	6,734	4,856	581	1,344	3,488	36,311
Total Income	46,998	24,966	12,401	20,464	28,097	13,904	442	10,162	10,296	167,730
Segment direct expenses	22,000	9,866	3,382	2,548	1,228	15,585	485	6,183	36,338	97,615
Inter segment expense allocation	13,793	5,900	939	9,141	984	1,256	-	-	(32,013)	-
Total expenses	35,793	15,766	4,321	11,689	2,212	16,841	485	6,183	4,325	97,615
Provisions - charge / (reversal)	296	1,797	(22)	1,441	(1,021)	2,625	-	1,804	1,167	8,087
Profit/ (loss) before tax	10,909	7,403	8,102	7,334	26,906	(5,562)	(43)	2,175	4,804	62,028
	As At December 31, 2021									
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspon- dent banking	Asset management	Microfinance	Head office / others	Total
Statement of financial position	(Rupees in million)									
Cash and bank balances	181,994	-	29,178	364	151,013	117,638	11	24,910	582	505,690
Lendings to financial institutions	-	-	28,672	-	65,070	-	-	-	-	93,742
Inter segment lending	1,594,867	-	-	-	-	266,460	-	-	142,415	2,003,742
Investments	-	-	191,865	8,822	1,566,568	128,519	50	14,231	38,901	1,948,956
Advances - performing	-	199,979	166,056	744,323	-	308,901	-	55,629	24,116	1,499,004
Advances - non-performing	-	1,503	3	2,403	-	2,891	-	1,243	-	8,043
Others	18,762	2,838	17,593	41,047	44,735	18,388	2,895	13,876	101,899	262,033
Total assets	1,795,623	204,320	433,367	796,959	1,827,386	842,797	2,956	109,889	307,913	6,321,210
Borrowings	-	2,830	31,568	119,175	140,787	137,816	1,200	2,882	-	436,258
Subordinated debt	-	-	-	-	-	-	-	-	12,374	12,374
Deposits and other accounts	1,777,354	374	346,895	519,884	122	640,658	-	91,362	5,349	3,381,998
Inter segment borrowing	-	194,287	11,440	122,508	1,675,507	-	-	-	-	2,003,742
Others	18,269	6,829	15,739	35,392	14,139	22,894	422	5,561	83,907	203,152
Total liabilities	1,795,623	204,320	405,642	796,959	1,830,555	801,368	1,622	99,805	101,630	6,037,524
Equity	-	-	27,725	-	(3,169)	41,429	1,334	10,084	206,283	283,686
Total equity and liabilities	1,795,623	204,320	433,367	796,959	1,827,386	842,797	2,956	109,889	307,913	6,321,210
Contingencies and commitments	59,128	-	56,741	463,954	601,350	186,719	-	-	38,410	1,406,302

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	For the year ended December 31, 2020								
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others
Profit and loss account	(Rupees in million)								
Net mark-up / return / profit / interest income	(71,459)	25,449	12,414	38,471	117,575	6,288	(231)	6,484	(4,887)
Inter segment revenue / (expense) - net	121,878	(13,763)	-	(23,270)	(96,858)	3,028	-	-	8,985
Non mark-up / interest income	3,647	6,193	376	3,360	10,439	3,075	604	876	2,025
Total Income	54,066	17,879	12,790	18,561	31,156	12,391	373	7,360	6,123
Segment direct expenses	25,491	7,366	1,783	3,398	1,333	22,196	294	4,978	28,610
Inter segment expense allocation	12,646	1,796	635	1,678	271	7,128	-	-	(24,154)
Total expenses	38,137	9,162	2,418	5,076	1,604	29,324	294	4,978	4,456
Provisions - charge / (reversal)	73	2,160	907	3,034	(1,215)	5,563	-	1,567	130
Profit/ (loss) before tax	15,856	6,557	9,465	10,451	30,767	(22,496)	79	815	1,537
	As At December 31, 2020								
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others
Statement of financial position	(Rupees in million)								
Cash and bank balances	179,590	-	12,771	293	125,940	101,353	3	11,425	439
Lendings to financial institutions	-	-	5,257	-	24,897	-	-	-	-
Inter segment lending	1,430,513	-	91	-	-	183,892	-	-	145,705
Investments	-	-	139,619	8,675	1,660,147	93,245	461	14,542	31,888
Advances - performing	-	163,801	153,152	618,911	-	218,573	-	40,784	17,021
Advances - non-performing	-	1,960	211	4,308	-	3,943	-	844	3
Others	15,636	3,946	7,295	25,006	30,760	25,208	2,987	8,635	95,534
Total assets	1,625,739	169,707	318,396	657,193	1,841,744	626,214	3,451	76,230	290,590
Borrowings	-	4,011	32,183	100,397	324,181	79,714	1,600	2,022	-
Subordinated debt	-	-	-	-	-	-	-	-	22,356
Deposits and other accounts	1,607,921	348	257,414	430,203	9	465,866	-	61,726	6,884
Inter segment borrowing	-	159,043	-	98,870	1,502,288	-	-	-	-
Others	17,818	6,305	6,032	27,723	8,804	39,165	390	5,817	74,679
Total liabilities	1,625,739	169,707	295,629	657,193	1,835,282	584,745	1,990	69,565	103,919
Equity	-	-	22,767	-	6,462	41,469	1,461	6,665	186,671
Total equity and liabilities	1,625,739	169,707	318,396	657,193	1,841,744	626,214	3,451	76,230	290,590
Contingencies and commitments	13,104	-	9,416	321,938	551,311	97,502	-	-	28,891

41.2 Segment details with respect to geographical locations

	For the year ended December 31, 2021				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
Profit and loss account	(Rupees in million)				
Net mark-up / return / profit / interest income	122,491	4,028	2,675	2,225	131,419
Non mark-up / interest income	32,422	1,181	1,023	1,685	36,311
Total Income	154,913	5,209	3,698	3,910	167,730
Segment direct expenses	82,478	6,035	3,882	5,220	97,615
Provisions - charge	5,473	2,136	471	7	8,087
Profit / (loss) before tax	66,962	(2,962)	(655)	(1,317)	62,028

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

As at December 31, 2021

	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
Statement of financial position					
	----- (Rupees in million) -----				
Cash and bank balances	388,578	53,525	19,355	44,232	505,690
Lendings to financial institutions	93,742	-	-	-	93,742
Investments	1,825,451	57,079	42,458	23,968	1,948,956
Advances - performing	1,228,925	139,482	56,687	73,910	1,499,004
Advances - non-performing	5,152	879	273	1,739	8,043
Others	245,805	3,786	8,292	4,150	262,033
Total assets	3,787,653	254,751	127,065	147,999	4,317,468
Borrowings	298,442	107,173	21,555	9,088	436,258
Subordinated debt	12,374	-	-	-	12,374
Deposits and other accounts	3,051,069	159,295	55,593	116,041	3,381,998
Others	217,165	(37,503)	18,846	4,644	203,152
Total liabilities	3,579,050	228,965	95,994	129,773	4,033,782
Equity	208,603	25,786	31,071	18,226	283,686
Total equity and liabilities	3,787,653	254,751	127,065	147,999	4,317,468
Contingencies and commitments	1,221,341	74,199	33,697	77,065	1,406,302

For the year ended December 31, 2020

	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
Profit and loss account					
	----- (Rupees in million) -----				
Net mark-up / return / profit / interest income	122,060	4,088	2,120	1,836	130,104
Non mark-up / interest income	28,184	1,376	(77)	1,112	30,595
Total Income	150,244	5,464	2,043	2,948	160,699
Segment direct expenses	79,318	6,866	3,435	5,830	95,449
Provisions - charge / (reversal)	6,838	3,958	971	453	12,220
Profit / (loss) before tax	64,088	(5,360)	(2,363)	(3,335)	53,030

As at December 31, 2020

	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
Statement of financial position					
	----- (Rupees in million) -----				
Cash and bank balances	330,991	38,343	21,995	40,485	431,814
Lendings to financial institutions	30,154	-	-	-	30,154
Investments	1,863,143	35,743	32,956	16,735	1,948,577
Advances - performing	1,016,840	99,131	25,536	70,735	1,212,242
Advances - non-performing	7,325	1,010	852	2,082	11,269
Others	199,834	3,408	6,331	5,434	215,007
Total assets	3,448,287	177,635	87,670	135,471	3,849,063
Borrowings	464,394	68,234	5,487	5,993	544,108
Subordinated debt	22,356	-	-	-	22,356
Deposits and other accounts	2,572,488	117,369	36,324	104,191	2,830,372
Others	201,488	(35,495)	9,430	11,309	186,732
Total liabilities	3,260,726	150,108	51,241	121,493	3,583,568
Equity	187,561	27,527	36,429	13,978	265,495
Total equity and liabilities	3,448,287	177,635	87,670	135,471	3,849,063
Contingencies and commitments	925,335	44,376	16,497	35,954	1,022,162

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

42 TRUST ACTIVITIES

The Group undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in the consolidated financial statements. Assets held under trust are shown in the table below:

As at December 31, 2021					
Category	No. of IPS Accounts	Securities Held (Face Value)			Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Asset Management companies	-	-	-	-	-
Charitable institutions	2	67,535	170,000	-	237,535
Companies	78	62,335,205	25,473,600	44,100	87,852,905
Employee funds	65	14,788,950	27,368,480	-	42,157,430
Individuals	164	6,624,450	2,650,238	4,900	9,279,588
Insurance companies	4	36,331,625	404,400,900	9,035,100	449,767,625
Non-Government organizations	-	-	-	-	-
Others	16	4,220,625	1,523,100	-	5,743,725
	329	124,368,390	461,586,318	9,084,100	595,038,808

As at December 31, 2020					
Category	No. of IPS Accounts	Securities Held (Face Value)			Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Asset Management companies	5	72,000	75,000	49,500	196,500
Charitable institutions	2	40,000	170,000	-	210,000
Companies	66	24,238,125	49,761,200	-	73,999,325
Employee funds	67	17,808,665	20,016,780	-	37,825,445
Individuals	126	3,971,220	1,675,768	-	5,646,988
Insurance companies	5	18,338,340	299,671,600	8,138,200	326,148,140
Non-Government organizations	1	10,135	-	-	10,135
Others	14	3,910,950	819,400	-	4,730,350
	286	68,389,435	372,189,748	8,187,700	448,766,883

43 RELATED PARTY TRANSACTIONS

The Group has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, associated companies, joint venture and employee benefit schemes of the Group.

Transactions with related parties, other than those under the terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

Details of transactions and balances with related parties as at the year end are as follows:

	As at December 31, 2021				
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture Other related parties
	(Rupees in '000)				
Statement of financial position					
Balances with other banks					
In current accounts	-	-	374	-	104
Investments					
Opening balance	-	-	-	26,751,320	5,047,043
Investment made during the year	-	-	-	1,355,788	-
Share of profit - net of tax	-	-	-	1,700,017	885,578
Equity method adjustments	-	-	-	1,501,604	501,861
Investment redeemed / disposed off during the year	-	-	-	(1,892,695)	-
Dividend received during the year	-	-	-	(463,512)	(145,181)
Revaluation of investment during the year	-	-	-	(162,076)	8,613
Closing balance	-	-	-	28,790,446	6,297,914
Advances					
Opening balance	249	305,836	4,504,529	1,125,000	-
Addition during the year	19,023	372,347	2,013,784	2,265,231	-
Repaid during the year	(19,021)	(264,932)	(2,782,029)	(292,998)	-
Transfer in - net	276	34,006	-	-	-
Exchange adjustment	-	(250)	265,108	251,380	-
Closing balance	527	447,007	4,001,392	3,348,613	-
Other assets					
Interest / mark-up accrued	-	552	68,780	42,651	-
Receivable from defined benefit plan	-	-	-	-	-
Capital Work in progress	-	-	10,214	-	-
Other receivable / prepayments	-	-	29	154,005	-
	-	552	79,023	196,656	-
Borrowings					
Opening balance	-	-	3,638,498	959,006	1,598,344
Borrowings during the year	-	-	4,216,030	7,564,980	6,516,419
Settled during the year	-	-	(3,695,853)	(6,027,688)	(8,145,524)
Exchange adjustment	-	-	343,046	148,912	30,761
Closing balance	-	-	4,501,721	2,645,210	-
Deposits and other accounts					
Opening balance	122,063	495,061	12,981,422	36,318,748	-
Received during the year	646,231	3,514,801	485,687,364	1,001,631,636	-
Withdrawn during the year	(616,464)	(3,417,522)	(479,581,131)	(987,320,818)	-
Transfer out - net	3,118	(36,996)	-	-	-
Exchange adjustment	103	(10,272)	748,908	514	-
Closing balance	155,051	545,072	19,836,563	50,630,080	-
Other liabilities					
Interest / mark-up payable	1	723	135,791	41,504	-
Payable to Defined Benefit Plan	-	-	-	-	-
Other payables	-	-	10,471	72,601	-
	1	723	146,262	114,105	-
Contingencies and commitments					
Letter of credit	-	-	910,308	-	-
Guarantees	-	-	167,204	-	-
Forward purchase of Government securities	-	-	630,652	-	-
Commitments in respect of forward lending	-	-	-	-	-
Interest rate swaps	-	-	564,808	875,000	-
	-	-	2,272,972	875,000	-
Others					
Securities held as custodians	-	12,920	5,326,720	77,701,130	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

For the year ended December 31, 2021

	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	-	20,702	193,987	127,195	-	804,089
Fee and commission income	-	-	180,591	897,191	392	20,374
Share of profit	-	-	-	1,700,017	885,578	-
Dividend income	-	-	-	-	-	155,337
Loss from derivatives	-	-	(3,306)	(43,326)	-	-
Expenses						
Mark-up / return / profit / interest expensed	8,356	12,209	868,678	1,300,969	20,998	324,969
Operating expenses						
Total compensation expense	-	2,031,873	-	-	-	1,283,088
Non-Executive Directors' fees	86,400	-	-	-	-	-
Insurance premium expense	-	-	-	1,988,489	-	-
Product feature cost	-	-	194,372	-	-	-
Travelling	-	-	14,837	-	-	-
Subscription	-	-	-	-	-	79,283
Donations	-	-	77,230	-	-	405,576
Brokerage and Commission	-	-	-	-	-	212,274
Other Expenses	-	-	10,690	-	-	48,218
Others						
Purchase of Government securities	-	-	337,325,673	54,769,108	-	16,885,974
Sale of Government securities	-	56,883	346,902,828	32,529,676	-	27,793,467
Purchase of foreign currencies	58	8,217	3,004,944	3,018	-	2,857,263
Sale of foreign currencies	16,074	354,330	3,280,543	222,000	-	5,732,637
Insurance claims settled	-	-	-	81,562	-	-

As at December 31, 2020

	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
Statement of financial position						
Balances with other banks						
In current accounts	-	-	25,483	-	4,177	-
Investments						
Opening balance	-	-	-	25,464,030	4,897,973	4,711,517
Investment made during the year	-	-	-	2,218,672	-	-
Share of profit - net of tax	-	-	-	2,355,545	607,545	-
Equity method adjustments	-	-	-	(426,642)	60,492	-
Investment redeemed / disposed off during the year	-	-	-	(2,191,758)	-	-
Dividend received during the year	-	-	-	(668,527)	(518,967)	-
Revaluation of investment during the year	-	-	-	-	-	68,121
Closing balance	-	-	-	26,751,320	5,047,043	4,779,638
Advances						
Opening balance	1,144	302,682	3,853,355	1,375,000	-	7,924,895
Addition during the year	10,157	222,404	7,294,502	-	-	7,668,197
Repaid during the year	(11,062)	(162,557)	(6,729,728)	(250,000)	-	(6,242,581)
Transfer in / (out) - net	10	(56,693)	-	-	-	(1,601,517)
Exchange adjustment	-	-	86,400	-	-	-
Closing balance	249	305,836	4,504,529	1,125,000	-	7,748,994
Other assets						
Interest / mark-up accrued	-	710	23,444	30,556	-	198,970
Capital Work in progress	-	-	10,214	-	-	-
Other receivable	-	-	3,488	305,588	-	3,679
	-	710	37,146	336,144	-	202,649

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	As at December 31, 2020					
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	(Rupees in '000)					
Borrowings						
Opening balance	-	-	2,787,405	929,086	1,548,476	-
Borrowings during the year	-	-	9,160,032	2,913,226	4,855,377	1,400,000
Settled during the year	-	-	(8,543,252)	(2,913,226)	(4,855,377)	(84,257)
Exchange adjustment	-	-	234,313	29,920	49,868	-
Closing balance	-	-	3,638,498	959,006	1,598,344	1,315,743
Deposits and other accounts						
Opening balance	97,816	193,679	10,999,321	11,245,398	-	3,183,114
Received during the year	687,076	2,384,726	258,689,238	652,057,799	-	60,738,998
Withdrawn during the year	(667,490)	(2,123,156)	(257,004,084)	(626,978,755)	-	(62,159,850)
Transfer in / (out) - net	4,619	35,680	-	-	-	(3,237)
Exchange adjustment	42	4,132	296,947	(5,694)	-	55,209
Closing balance	122,063	495,061	12,981,422	36,318,748	-	1,814,234
Other liabilities						
Interest / mark-up payable	1,384	1,734	231,174	129,999	6,251	13,334
Payable to Defined Benefit Plan	-	-	-	-	-	1,182,639
Other payables	-	-	8,711	37,931	-	347,986
	1,384	1,734	239,885	167,930	6,251	1,543,959
Contingencies and Commitments						
Letter of credit	-	-	145,085	-	-	1,576,326
Guarantees	-	-	134,121	-	-	3,419,047
Forward purchase of Government securities	-	-	861,632	-	-	316,416
Forward sale of Government securities	-	-	-	-	-	-
Commitments in respect of forward lending	-	-	-	-	-	2,524,426
Interest rate swaps	-	-	859,491	1,125,000	-	-
	-	-	2,000,329	1,125,000	-	7,836,215
Others						
Securities held as custodians	-	17,745	5,457,675	30,978,500	-	13,662,385
	-	17,745	5,457,675	30,978,500	-	13,662,385
	For the year ended December 31, 2020					
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	(Rupees in '000)					
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	-	22,866	306,870	250,523	-	1,086,137
Fee and commission income	-	-	122,969	1,092,755	352	42,573
Share of Profit	-	-	-	2,355,545	607,545	-
Dividend income	-	-	-	-	-	85,633
Loss from derivatives	-	-	(20,978)	(19,556)	-	-
Expense						
Mark-up / return / profit / interest expensed	7,151	8,116	724,355	799,417	26,085	142,578
Operating expenses						
Total compensation expense	-	1,929,056	-	-	-	1,478,173
Non-Executive Directors' fees	84,000	-	-	-	-	-
Insurance premium expense	-	-	-	1,372,382	-	-
Product feature cost	-	-	105,850	-	-	-
Travelling	-	-	16,845	-	-	-
Subscription	-	-	-	-	-	72,178
Donation	-	-	157,360	-	-	315,431
Brokerage and Commission	-	-	-	-	-	197,720
Other expenses	-	-	17,194	-	-	19,147
Reversal of provision against advances	-	-	-	-	-	(124,920)
Others						
Purchase of Government securities	-	-	155,206,248	26,699,197	-	8,586,622
Sale of Government securities	-	31,716	160,624,591	85,382,672	-	12,496,840
Purchase of foreign currencies	-	1,034	1,792,352	3,867	-	1,864
Sale of foreign currencies	10,402	205,942	2,817,044	130,800	-	6,510,605
Insurance claims settled	-	-	-	195,894	-	-

43.1 Balances and transactions with group entities include deposits of Rs 0.554 million (2020: Rs 0.296 million) from the parent and Rs 1.814 thousand (2020: 4.223 thousand) as mark-up expense thereon.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

44 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2021	2020
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	14,668,525	14,668,525
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	192,465,081	172,930,425
Eligible Additional Tier 1 (ADT 1) Capital	12,606,759	12,533,284
Total Eligible Tier 1 Capital	205,071,840	185,463,709
Eligible Tier 2 Capital	55,846,089	51,969,228
Total Eligible Capital (Tier 1 + Tier 2)	260,917,929	237,432,937
Risk Weighted Assets (RWAs):		
Credit Risk	1,328,791,152	1,042,434,363
Market Risk	116,679,788	131,554,475
Operational Risk	224,085,265	203,276,223
Total	1,669,556,205	1,377,265,061
Common Equity Tier 1 Capital Adequacy Ratio	11.53%	12.56%
Tier 1 Capital Adequacy Ratio	12.28%	13.47%
Total Capital Adequacy Ratio	15.63%	17.24%
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	9.50%	9.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	2.00%	2.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	5.53%	6.56%
Other information:	2021	2020
Minimum capital requirements prescribed by the SBP		
CET1 minimum ratio (%)	9.50%	9.50%
Tier 1 minimum ratio (%)	11.00%	11.00%
Total capital minimum ratio (%)	13.50%	13.50%
Leverage Ratio (LR)	2021	2020
	(Rupees in '000)	
Eligible Tier-1 Capital	205,071,840	185,463,709
Total Exposures	4,687,343,787	4,364,466,103
Leverage Ratio (%)	4.38%	4.25%
Minimum Requirement (%)	3.00%	3.00%
Liquidity Coverage Ratio (LCR)	2021	2020
	Total Adjusted Value	
	(Rupees in '000)	
Average High Quality Liquid Assets	1,477,650,149	1,343,833,391
Average Net Cash Outflow	638,366,023	525,626,841
Average Liquidity Coverage Ratio (%)	231.47%	255.66%
Minimum Requirement (%)	100.00%	100.00%
Net Stable Funding Ratio (NSFR)	2021	2020
	Total Weighted Value	
	(Rupees in '000)	
Total Available Stable Funding	3,046,911,457	2,637,965,349
Total Required Stable Funding	1,964,571,726	1,448,252,363
Net Stable Funding Ratio (%)	155.09%	182.15%
Minimum Requirement (%)	100.00%	100.00%

The SBP, through BPRD circular 12, dated March 26, 2020 has provided the following relaxations to banks to enable them to continue providing credit to the real economy:

- The Capital Conservation Buffer (CCB) has been reduced from 2.50% to 1.50%. This has resulted in a 1.00% decline in capital adequacy requirements for all tiers.
- The regulatory retail portfolio limit has been increased from Rs 125 million to Rs 180 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

44.1 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The Group's lead regulator, the SBP, sets and monitors capital requirements for the Bank and the Group. The Bank's branches and subsidiaries outside Pakistan are also required to follow capital requirements applicable in their respective jurisdictions.

The SBP, through BSD Circular No. 07 dated April 15, 2009 has required that Banks should maintain a minimum paid-up capital of Rs. 10 billion (net of accumulated losses). The paid-up capital of the Bank as at December 31, 2021 stood at Rs. 14.669 billion (2020: Rs. 14.669 billion) and is in compliance with SBP requirements.

The Group and its individually regulated operations are in compliance with all capital requirements.

The Group's regulatory capital is classified as follows:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.
- CET1 capital includes fully paid-up capital, balance in share premium account, reserves (excluding exchange translation reserves), unappropriated profit and non-controlling interest meeting the eligibility criteria.
- AT 1 capital includes perpetual TFCs meeting the prescribed SBP criteria.
- Tier 2 capital includes general provisions for loan losses, surplus / (deficit) on revaluation of fixed assets and investments, exchange translation reserves and subordinated debt (meeting the eligibility criteria).

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to on and off-balance sheet exposures.

- On and off-balance sheet exposures in the banking book are segregated into various asset classes for the calculation of credit risk. Ratings reflecting the credit worthiness of counterparties are applied using various External Credit Assessment Institutions (ECAIs) and aligned with appropriate risk buckets. Collateral, if any, is used as an outflow adjustment. Eligible collateral used includes Government of Pakistan (GoP) guarantees, GoP issued securities, bank guarantees, lien on deposits and margin accounts. Risk weights notified by the SBP are applied to net exposures to arrive at risk weighted assets.
- The Group calculates capital requirements for market risk in its trading book based on the methodology provided by the SBP which takes into account interest rate risk using the maturity method, equity position risk and foreign exchange risk.

44.2 The full disclosures on the Capital Adequacy Ratio, Leverage Ratio & Liquidity Requirements calculated as per SBP instructions issued from time to time have been placed on the Bank's website. The link to the full disclosure is available at <https://www.hbl.com/capitalandliquidity>.

45 RISK MANAGEMENT FRAMEWORK

HBL has a well-developed and robust risk management framework given the high degree of complexity of its operations, its size, and regional and target market diversification. The Bank's risk management framework is based on strong Board oversight, multi-tier management supervision, efficient systems, documented risk appetite, and clearly articulated policies and procedures.

The Board of Directors provides the strategic direction for effective risk management and ensures that a robust risk management framework is in place including the required human resources, policies, procedures and systems. It is supported in this task by the Board Risk Management Committee (BRMC) as well as by various management committees.

For effective implementation of the risk management framework, the Risk Management function, headed by the Chief Risk Officer (CRO), operates independently of business units within the Bank. Risk Management is responsible for the development and implementation of risk policies and for monitoring the risks associated with various activities of the Bank. The CRO reports to the President, with a functional reporting line to the BRMC.

The Risk Management function comprises of the following areas:

- Credit Policy & Analytics
- Credit Approvals
- Credit Administration
- Program Based Lending Risk
- Market & Liquidity Risk Management
- Enterprise Risk Management

Risk Management alignment with Basel framework

The Bank has adopted the Standardized Approach for credit risk and the Alternate Standardized Approach for operational risk. In addition, the Bank has adopted the simple approach for recognizing eligible collateral for credit risk mitigation. The Bank's goal is to develop resources internally to embed Basel related processes and methodologies in its risk practices.

The Bank follows the Standardized Approach for market risk and is building capacity for adoption of the Internal Models Approach (IMA).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

45.1 Credit risk management

Credit risk is defined as the risk of financial loss stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. While loans are the largest and most obvious source of credit risk, it also stems from both on and off-balance sheet activities. The credit process at the Bank is governed by well-defined and documented credit policies and procedures including separate policies for consumer loans, rural banking and SME financing. Certain types of exposures/facilities are managed under product programs that contain their own detailed credit criteria, compliance and documentation requirements.

The Bank's credit risk appetite is defined through a Risk Appetite Statement that is approved by the Board. It also covers the concentration risks the Bank is willing to take with reference to risk ratings, sectors and large exposures.

The core pillars of credit risk management at the Bank are:

- Approval rules based on a three-initial system and joint Business / Risk sign-offs.
- An independent Internal Audit function which includes a Business Risk Review (BRR) unit.

Credit approval authorities are delegated to individuals based on their qualifications and experience. Disbursement authorization, collateral and security management, documentation and monitoring are managed by the Credit Administration Department. Proactive monitoring is ensured for assets under stress. This enables the Bank to put in place viable solutions to prevent further deterioration in credit quality. An independent Structured Credits function handles stressed assets and ensures a focused remedial strategy.

Credit risk management software to automate loan origination has been implemented for Corporate, Commercial and Retail customers and the Bank is rolling this out to overseas operations. The software is designed to improve approval efficiency; enable capture, storage and retrieval of approval data; and generate MIS for decision making.

Stress testing on the credit portfolio is performed in line with SBP guidelines. In addition to the mandatory stress tests defined by the regulator, the Bank has also developed advanced stress tests including macroeconomic stress tests, shock scenarios and reverse stress tests to test the capital against shocks to the credit portfolio. The Bank also regularly conducts rapid portfolio reviews in line with emerging risks.

The Bank has undertaken a number of initiatives to strengthen its credit risk management framework including in-house development of internal risk rating models (obligor risk rating and facility risk rating) for the portfolio, the development of transition and migration matrices to develop Probability of Default (PD) estimates, and back testing these against actual default rates for model refinement. The performance of the risk rating models over the years is continuously monitored.

BRR performs an independent review of the credit portfolio. It provides an independent assessment of portfolio quality, the efficacy of processes for the acquisition of risk assets, regulatory / policy compliance and appropriateness of classification and risk rating.

45.1.1 Credit risk - general disclosures

The Bank follows the Standardized Approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit ratings or type of exposure, whichever is applicable.

Under the Standardized Approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by the SBP. The Bank selects different ECAIs for each type of exposure. The Bank utilizes credit ratings assigned by Pakistan Credit Rating Agency (PACRA), Vital Information Services (VIS), Fitch, Moody's and Standard & Poor's (S&P). The Bank also utilizes rating scores of Export Credit Agencies (ECAs).

Types of exposure and ECAIs used

	FITCH	Moody's	S&P	PACRA	VIS	ECA scores
Corporates	✓	✓	✓	✓	✓	-
Banks	✓	✓	✓	✓	✓	-
Sovereigns	-	✓	-	-	-	✓
Public sector enterprises	✓	-	-	✓	✓	-

Mapping to SBP rating grades

For all exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to the SBP rating grades are given below:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Long-Term rating grades mapping

SBP Rating grade	Fitch	Moody's	S&P	PACRA	VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Short-Term rating grades mapping

SBP rating grade	Fitch	Moody's	S&P	PACRA	VIS
S1	F1	P-1	A-1+	A-1+	A-1+
S1	F1	P-1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

45.1.2 Credit Risk Mitigation under the Standardized Approach

The Bank has adopted the Simple Approach for Credit Risk Mitigation in the Banking Book. Under this approach, cash, deposits under lien, Government securities and eligible guarantees etc. are considered as eligible collateral. The Bank has in place detailed guidelines regarding the valuation and management of each of these types of collateral. Where the Bank's exposure on an obligor is wholly or partially guaranteed by an eligible guarantee, the risk weight / credit rating of the guarantor is substituted for the risk weight of the obligor.

No credit risk mitigation benefit is taken in the Trading Book.

For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net exposure for the calculation of Risk Weighted Assets.

45.1.3 Country Risk

The Bank has in place a comprehensive Country Risk Policy. Limits are established for Cross Border Transfer Risk (CBTR) based on the ratings assigned by international rating agencies. CBTR arises from exposure to counterparties in countries other than the jurisdiction of the lender. Transfer risk arises where an otherwise solvent and willing debtor is unable to meet its obligation due to the imposition of governmental or regulatory controls restricting its ability to perform under its obligation towards meeting its foreign liabilities. The limit utilization is controlled at Head Office level and country risk exposures are reported to the BRMC at defined frequencies.

45.1.4 Lendings to financial institutions

	Gross lendings		Non-performing lendings		Provision held	
	2021	2020	2021	2020	2021	2020
(Rupees in '000)						
Credit risk by public / private sector						
Public / Government	24,615,867	14,253,781	-	-	-	-
Private	69,126,565	15,900,412	-	-	-	-
	<u>93,742,432</u>	<u>30,154,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

45.1.5 Investment in debt securities

	Gross investments		Non-performing investments		Provision held	
	2021	2020	2021	2020	2021	2020
Credit risk by industry sector	(Rupees in '000)					
Chemical and pharmaceuticals	-	203,025	-	-	-	-
Textile	86,548	106,548	86,548	106,548	86,548	106,548
Automobile and transportation equipment	883,872	775,313	-	-	-	-
Financial	1,835,176,696	1,839,344,825	-	-	-	-
Oil and gas	1,798,454	3,698,844	-	-	-	-
Power and energy	61,695,258	57,555,652	-	-	-	-
Telecommunication	160,833	164,329	160,833	164,329	160,833	164,329
Construction	-	2,046,000	-	-	-	-
Wholesale and retail trade	929,609	878,616	929,609	878,616	929,609	878,616
Metal and allied	900,000	900,000	-	-	-	-
Others	1,000,000	1,496,273	-	-	-	-
	<u>1,902,631,270</u>	<u>1,907,169,425</u>	<u>1,176,990</u>	<u>1,149,493</u>	<u>1,176,990</u>	<u>1,149,493</u>
Credit risk by public / private sector						
Public / Government	1,876,329,222	1,878,708,348	-	-	-	-
Private	26,302,048	28,461,077	1,176,990	1,149,493	1,176,990	1,149,493
	<u>1,902,631,270</u>	<u>1,907,169,425</u>	<u>1,176,990</u>	<u>1,149,493</u>	<u>1,176,990</u>	<u>1,149,493</u>

45.1.6 Advances

	Gross advances		Non-performing advances		Provision held	
	2021	2020	2021	2020	2021	2020
Credit risk by industry sector	(Rupees in '000)					
Chemical and pharmaceuticals	44,855,008	49,371,190	2,528,011	2,551,951	2,516,898	2,519,264
Agribusiness	135,377,910	127,157,187	2,202,050	2,419,370	1,093,954	993,849
Textile	174,646,302	139,530,678	15,520,215	18,227,451	15,406,200	17,230,252
Cement	28,401,108	30,742,220	588,694	788,694	588,694	788,694
Sugar	8,903,630	11,836,435	1,230,342	1,230,342	1,295,262	1,295,262
Shoes and leather garments	4,647,283	4,069,853	949,725	950,036	943,425	908,274
Automobile and transportation equipment	25,497,800	16,637,257	3,598,823	3,210,723	3,475,364	3,197,282
Financial	155,550,220	92,779,851	2,063,225	1,875,133	2,063,225	1,875,133
Hotel and tourism	8,118,431	7,426,584	809,736	675,707	712,089	560,200
Insurance	2,506,715	2,892,710	-	-	-	-
Electronics and electrical appliances	10,099,650	7,141,707	2,595,651	2,401,210	2,595,651	2,401,210
Oil and gas	88,003,142	58,927,284	5,652,384	3,036,551	5,655,182	786,797
Power and energy	194,625,126	186,637,376	13,336	1,615,585	13,336	1,615,585
Education and medical	7,556,135	7,184,376	202,663	198,943	196,303	195,356
Telecommunication	28,315,442	29,265,551	1,082,730	1,130,701	1,082,730	1,130,701
Printing and publishing	7,909,569	6,912,534	356,435	355,966	349,484	355,949
Construction	52,722,836	42,792,545	371,301	448,012	253,573	306,613
Mining and quarrying	5,952,217	5,730,014	155,578	119	78,848	119
Food, tobacco and beverages	82,533,881	64,115,867	4,725,601	4,873,122	3,361,128	3,104,874
Wholesale and retail trade	83,339,173	71,049,163	13,053,725	14,018,874	11,672,596	12,475,825
Metal and allied	32,092,124	20,435,579	4,040,865	3,231,792	2,412,884	2,161,387
Individuals	142,980,407	105,897,629	2,364,165	3,762,358	1,977,157	2,927,271
Farming, cattle and dairy	26,214,561	23,835,304	1,787,117	1,153,012	1,239,344	625,296
Trust funds and non profit organisations	1,596,881	1,614,536	2,991	2,991	2,991	2,991
Others	238,455,040	191,425,839	14,993,098	13,945,733	13,858,868	13,377,579
	<u>1,590,900,591</u>	<u>1,305,409,269</u>	<u>80,888,461</u>	<u>82,104,376</u>	<u>72,845,186</u>	<u>70,835,763</u>
Credit risk by public / private sector						
Public / Government	319,426,745	281,674,755	3,094,902	2,906,470	2,029,211	1,840,779
Private	1,271,473,846	1,023,734,514	77,793,559	79,197,906	70,815,975	68,994,984
	<u>1,590,900,591</u>	<u>1,305,409,269</u>	<u>80,888,461</u>	<u>82,104,376</u>	<u>72,845,186</u>	<u>70,835,763</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

45.1.7 Contingencies and Commitments

	2021	2020
	(Rupees in '000)	
Credit risk by industry sector		
Chemical and Pharmaceuticals	37,497,701	125,589,265
Agribusiness	4,872,111	7,834,336
Textile	94,007,339	37,795,440
Cement	51,399,786	9,534,715
Defence	14,055,764	13,597,579
Sugar	3,119,186	2,425,872
Shoes and leather garments	1,608,350	2,051,318
Automobile and transportation equipment	30,685,625	12,864,675
Financial	687,046,356	505,175,258
Hotel and tourism	1,085,725	1,371,892
Research and development	2,247,002	1,322,523
Insurance	7,222,886	1,653,258
Electronics and electrical appliances	16,754,561	16,114,947
Oil and gas	68,651,454	63,355,245
Power and energy	106,046,478	73,530,933
Education and medical	2,974,595	1,934,974
Telecommunication	27,697,852	9,425,449
Printing and publishing	2,469,700	1,238,472
Construction	32,208,067	15,202,900
Mining and quarrying	2,749,857	4,563,574
Food, tobacco and beverages	26,589,405	11,181,197
Wholesale and retail trade	10,665,042	16,675,728
Metal and allied	15,508,860	10,748,845
Individuals	24,602,637	17,898,989
Farming, cattle and dairy	1,549,317	2,106,305
Ports and shipping	1,367,301	2,554,655
Trust funds and non profit organisations	41,572,444	11,175,272
Others	90,046,339	43,237,961
	<u>1,406,301,740</u>	<u>1,022,161,577</u>
Credit risk by public / private sector		
Public / Government	226,782,960	201,203,863
Private	<u>1,179,518,780</u>	<u>820,957,714</u>
	<u>1,406,301,740</u>	<u>1,022,161,577</u>

45.1.8 Concentration of Advances

The Group's top 10 exposures on the basis of total (funded and non-funded) exposure aggregated to Rs 439,861.952 million (2020: Rs 380,572.960 million).

	2021	2020
	Rupees in '000	
Funded	254,870,742	280,605,421
Non - funded	<u>184,991,209</u>	<u>99,967,539</u>
Total exposure	<u>439,861,951</u>	<u>380,572,960</u>

The sanctioned limits against these top 10 exposures aggregated to Rs 628,617.948 million (2020 : 550,392.787 million).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

45.1.9 Advances - Province / Region-wise disbursement and utilisation

2021							
Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	3,101,607,442	2,915,900,328	39,963,069	1,314,901	-	144,213,003	216,141
Sindh	8,163,147,976	281,124,813	7,821,084,148	9,728,882	17,231,128	32,115,680	1,863,325
KPK including FATA	64,758,158	756,415	1,832,628	62,159,788	-	9,327	-
Balochistan	12,866,864	-	4,328,047	-	5,377,551	3,161,266	-
Islamabad	1,031,641,148	70,198,521	139,370,616	-	117,227	821,954,784	-
AJK including Gilgit-Baltistan	19,749,842	18,015	-	-	-	574,814	19,157,013
Total	12,393,771,430	3,267,998,092	8,006,578,508	73,203,571	22,725,906	1,002,028,874	21,236,479

2020							
Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	2,410,597,613	2,286,396,401	31,989,237	1,144,980	-	90,850,813	216,182
Sindh	6,461,338,740	145,218,707	6,273,125,982	3,912,615	5,562,663	32,079,834	1,438,939
KPK including FATA	52,907,682	1,185,242	1,346,987	50,375,453	-	-	-
Balochistan	5,107,283	-	-	-	5,107,283	-	-
Islamabad	727,015,532	43,618,837	125,045,659	-	-	558,351,036	-
AJK including Gilgit-Baltistan	14,589,228	-	-	-	-	-	14,589,228
Total	9,671,556,078	2,476,419,187	6,431,507,865	55,433,048	10,669,946	681,281,683	16,244,349

45.2 Market Risk Management

Market risk is the risk that the fair value of a financial instrument will fluctuate due to movements in market prices. It results from changes in interest rates, exchange rates and equity prices as well as from changes in the correlations between them. Each of these components of market risk consists of a general market risk and a specific market risk that is driven by the nature and composition of the portfolio.

The Bank is exposed to market risk in a number of ways. The largest component is Interest Rate Risk on the Banking Book, which refers to the interest rate risk that the Bank is exposed to due to mismatches in the repricing of its on-balance sheet assets and liabilities. The Bank also has Trading Books in various markets; these assets are fair valued, i.e. changes in the values of the assets arising from market movements are directly reflected in the Bank's profit and loss account.

The objective of the Bank's market risk management strategy is to firstly, assess an acceptable level of risk for each market variable (as stated in the Bank's Risk Appetite Statement), and secondly, to manage the risk arising from fluctuations in these variables to optimize the Bank's income streams.

Treasury and Global Markets is tasked with proactively managing exposures. The ALCO provides governance with respect to market risk exposures and limits, while monitoring and measurement is carried out by Market Risk Management (MRM).

MRM provides a dynamic and proactive approach to market risk monitoring, including the use of tools such as Value at Risk, Earnings at Risk, stress testing and the use of Management Action Triggers (MAT).

45.2.1 Statement of financial position split by trading and banking books

	2021			2020		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	(Rupees in '000)					
Cash and balances with treasury banks	441,252,246	-	441,252,246	375,280,120	-	375,280,120
Balances with other banks	64,438,075	-	64,438,075	56,533,829	-	56,533,829
Lendings to financial institutions	93,742,432	-	93,742,432	30,154,193	-	30,154,193
Investments	1,036,253,263	912,702,715	1,948,955,978	1,236,947,862	711,628,960	1,948,576,822
Advances	1,507,047,097	-	1,507,047,097	1,223,510,222	-	1,223,510,222
Fixed assets	98,676,342	-	98,676,342	89,190,210	-	89,190,210
Intangible assets	12,630,475	-	12,630,475	10,412,880	-	10,412,880
Deferred tax assets	-	-	-	-	-	-
Other assets	141,773,908	8,951,592	150,725,500	111,119,675	4,284,867	115,404,542
	3,395,813,838	921,654,307	4,317,468,145	3,133,148,991	715,913,827	3,849,062,818

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

45.2.2 Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank manages this risk by setting and monitoring currency-wise exposure limits. The Bank's assets in a particular currency are typically funded in the same currency to minimize foreign currency exposure. However, the Bank maintains a net open position in various currencies resulting from its transactions. Foreign exchange risk is controlled and monitored through the limits approved by ALCO, within the overall limit advised by the SBP.

	2021				2020			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	(Rupees in '000)							
United States Dollars	373,366,182	391,336,169	23,502,692	5,532,705	287,180,010	341,631,642	46,661,472	(7,790,160)
Great Britain Pounds	70,731,091	79,781,810	18,506,568	9,455,849	70,939,576	77,452,102	17,360,019	10,847,493
UAE Dirhams	42,131,632	62,561,226	32,917,837	12,488,243	26,217,896	38,860,193	26,334,763	13,692,466
Japanese Yen	116,753	32,030	(38,325)	46,398	72,254	153,610	117,785	36,429
Euros	22,153,104	18,381,217	(1,371,357)	2,400,530	21,449,910	17,214,314	(2,301,794)	1,933,802
Other Currencies	155,712,552	94,834,671	(12,744,913)	48,132,968	89,664,567	26,772,282	(2,448,107)	60,444,178
	<u>664,211,314</u>	<u>646,927,123</u>	<u>60,772,502</u>	<u>78,056,693</u>	<u>495,524,213</u>	<u>502,084,143</u>	<u>85,724,138</u>	<u>79,164,208</u>

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	780,567	-	791,642
- Other comprehensive income	719,669	-	733,030	-

45.2.3 Equity Position Risk

Equity position risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in the prices of individual stocks or the levels of equity indices.

The Bank takes exposures to a range of equity instruments, and is exposed to losses arising from movements in equity prices. The Bank holds equity investments in both the AFS and HFT portfolios. The realization of short term capital gains is the principal objective of the HFT portfolio while the AFS portfolio takes a medium-term market view with the objective of earning both capital gains and dividend income. The portfolios are managed by the Bank within the structure encapsulated in the Equity Investment Policy approved by the Board, which defines position limits, portfolio limits and loss triggers for the equity desk. The Bank also applies stress tests on the equity portfolio which is part of the Bank's overall market risk exposure limit on the trading book.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 5% change in equity prices on				
- Profit and loss account	-	15,430	-	7,311
- Other comprehensive income	376,184	-	-	339,701

45.2.4 Interest Rate Risk

Interest rate risk arises due to changes in interest rates, including changes in the shape of the yield curve. The Bank is exposed to interest rate risk in both the Trading and Banking Books. Interest rate sensitivity analysis is conducted at both Banking Book and Trading Book levels. The analysis is performed at least on a monthly basis or more frequently, if required. The analysis helps in estimating and managing the impact of interest rate volatility on the Bank's earnings and on the economic value of equity within the defined tolerance limits. Limits are also in place for fixed income investments of the treasury portfolio at various levels (i.e. Dealer, Transaction, Portfolio, Trading and Banking Book). Regulatory stress testing is conducted on a quarterly basis. Metrics to assess Interest Rate Risk include Interest Rate Gap Reports, Earnings at Risk (EAR) and Economic Value of Equity (EVE). These metrics are assessed based on different stress scenarios.

To further strengthen interest rate risk management, the Bank has developed a standardized framework for computing the Interest Rate Risk in the Banking Book (IRRBB) under the updated guidelines issued by Basel Committee on Banking Supervision Standards.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% increase in interest rates on				
- Profit and loss account	(1,151,969)	(818,473)	(8,208,300)	(1,020,854)
- Other comprehensive income	(3,887,409)	-	(4,515,237)	(1,935,019)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

45.2.4.1 Mismatch of interest rate sensitive assets and liabilities

Interest rate sensitivity gaps for assets and liabilities which have contractual maturities have been reported based on the earlier of the re-pricing date or maturity date. However, assets and liabilities which do not have any contractual maturities have been bucketed on the basis of a behavioural study approved by ALCO.

2021												
	Effective yield / interest rate	Exposed to yield / interest risk									Not exposed to yield / interest risk	
		Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years		Over 10 years
On-balance sheet assets												
Financial assets												
Cash and balances with treasury banks	0.02%	441,252,246	36,748,495	-	-	229,238	-	-	-	-	-	404,274,513
Balances with other banks	1.31%	64,438,075	21,852,106	5,346,765	6,054,303	-	-	-	-	-	-	31,184,901
Lendings to financial institutions	7.26%	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-	-
Investments	8.09%	1,948,955,978	398,807,362	361,332,755	549,954,633	167,063,824	59,608,539	112,993,759	98,890,185	100,211,912	51,226,889	48,866,120
Advances	8.60%	1,507,047,097	343,552,748	705,429,380	183,087,141	83,564,915	37,280,329	42,353,978	69,160,081	36,281,597	871,465	5,465,463
Other assets		124,329,071	-	-	-	-	-	-	-	-	-	124,329,071
		4,179,764,899	873,341,343	1,093,470,700	739,096,077	250,857,977	96,888,868	155,347,737	168,050,266	136,493,509	52,098,354	614,120,068
Financial liabilities												
Bills payable		44,196,984	-	-	-	-	-	-	-	-	-	44,196,984
Borrowings	4.67%	436,258,005	58,249,109	168,800,165	43,421,012	49,732,681	11,598,450	14,406,913	16,670,978	65,355,555	8,023,142	-
Deposits and other accounts	3.58%	3,381,998,398	323,517,239	1,618,721,024	96,397,288	130,998,468	10,499,125	18,660,941	4,008,234	8,353,952	306,871	1,170,535,256
Subordinated debt	9.04%	12,374,000	-	12,374,000	-	-	-	-	-	-	-	-
Other liabilities		-	-	-	-	-	-	-	-	-	-	-
Lease Liability against right-of-use asset	10.32%	22,307,342	180,130	360,261	540,391	1,080,782	2,161,564	2,161,564	4,323,128	11,499,522	-	-
Others		116,138,497	-	-	-	-	-	-	-	-	-	116,138,497
		4,013,273,226	381,946,478	1,800,255,450	140,358,691	181,811,931	24,259,139	35,229,418	25,002,340	85,209,029	8,330,013	1,330,870,737
On-balance sheet gap		166,491,673	491,394,865	(706,784,750)	598,737,386	69,046,046	72,629,729	120,118,319	143,047,926	51,284,480	43,768,341	(716,750,669)
Net non - financial assets		117,194,129										
Total net assets		283,685,802										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		340,760,829	101,905,991	152,521,110	66,552,788	19,780,940	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(260,920,745)	(96,407,046)	(96,681,034)	(52,072,920)	(15,759,745)	-	-	-	-	-	-
Government Securities transactions - forward purchases		27,830,190	26,993,330	836,860	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(65,732,273)	(65,732,273)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		17,058,770	-	57,639	77,975	309,755	2,105,927	2,712,009	7,346,163	878,616	3,570,686	-
Cross Currency Swaps - sales		(19,308,883)	-	(73,549)	(88,257)	(353,022)	(2,382,930)	(2,899,224)	(9,010,816)	(970,815)	(3,530,270)	-
Interest rate swaps - sales		(5,681,475)	-	(564,808)	-	-	(1,041,667)	(2,000,000)	(2,075,000)	-	-	-
Off-balance sheet gap		34,006,413	(33,239,998)	56,096,218	14,469,586	3,977,928	(1,318,670)	(2,187,215)	(3,739,653)	(92,199)	40,416	-
Total yield / interest rate risk sensitivity gap			458,154,867	(650,688,532)	613,206,972	73,023,974	71,311,059	117,931,104	139,308,273	51,192,281	43,808,757	(716,750,669)
Cumulative yield / Interest rate risk sensitivity gap			458,154,867	(192,533,665)	420,673,307	493,697,281	565,008,340	682,939,444	822,247,717	873,439,998	917,248,755	200,498,086

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2020												
	Effective yield / interest rate	Exposed to yield / interest risk										Not exposed to yield / interest risk
		Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years	
(Rupees in '000)												
On-balance sheet assets												
Financial assets												
Cash and balances with treasury banks	0.05%	375,280,120	46,725,598	25,239	-	-	-	-	-	-	-	328,529,283
Balances with other banks	1.51%	56,533,829	21,393,489	2,584,412	-	-	-	-	-	-	-	32,555,928
Lendings to financial institutions	7.63%	30,154,193	23,154,193	7,000,000	-	-	-	-	-	-	-	-
Investments	9.73%	1,948,576,822	183,977,129	547,455,585	461,860,011	286,415,772	160,814,714	54,766,507	101,302,978	77,927,299	30,264,314	43,792,513
Advances	10.15%	1,223,510,222	367,984,680	508,948,810	139,312,757	54,708,221	39,619,642	28,932,814	34,565,374	36,890,725	1,278,587	11,268,612
Other assets		90,840,776	-	-	-	-	-	-	-	-	-	90,840,776
		3,724,895,962	643,235,089	1,066,014,046	601,172,768	341,123,993	200,434,356	83,699,321	135,868,352	114,818,024	31,542,901	506,987,112
Financial liabilities												
Bills payable		46,434,199	-	-	-	-	-	-	-	-	-	46,434,199
Borrowings	5.89%	544,107,826	380,762,920	51,421,564	45,457,922	292,380	31,434,293	612,514	8,256,069	25,743,587	126,577	-
Deposits and other accounts	4.49%	2,830,371,390	220,027,084	1,411,196,912	73,941,674	87,443,591	10,918,601	7,069,805	17,172,974	6,789,770	856,148	994,954,831
Subordinated debt	11.64%	22,356,000	-	22,356,000	-	-	-	-	-	-	-	-
Other liabilities												
Lease Liability against right-of-use asset	10.55%	18,213,249	154,717	309,433	464,150	928,300	1,856,600	1,856,600	3,713,201	8,930,248	-	-
Others		98,243,959	-	-	-	-	-	-	-	-	-	98,243,959
		3,559,726,623	600,944,721	1,485,283,909	119,863,746	88,664,271	44,209,494	9,538,919	29,142,244	41,463,605	982,725	1,139,632,989
On-balance sheet gap		165,169,339	42,290,368	(419,269,863)	481,309,022	252,459,722	156,224,862	74,160,402	106,726,108	73,354,419	30,560,176	(632,645,877)
Net non - financial assets		100,325,908										
Total net assets		265,495,247										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		261,220,544	76,517,705	107,834,983	65,916,710	10,951,146	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(175,495,769)	(69,125,826)	(65,129,830)	(27,580,297)	(13,659,816)	-	-	-	-	-	-
Government Securities transactions - forward purchases		96,427,590	96,380,176	47,414	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(54,329,588)	(54,329,588)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		14,662,810	616,598	-	90,208	787,250	482,671	1,543,489	1,235,520	9,907,074	-	-
Cross Currency Swaps - sales		(16,007,336)	(711,263)	-	(133,195)	(955,805)	(519,461)	(1,598,333)	(1,186,770)	(10,902,509)	-	-
Interest rate swaps - sales		(7,834,491)	-	-	-	-	(859,491)	(1,875,000)	(5,100,000)	-	-	-
Off-balance sheet gap		118,643,760	49,347,802	42,752,567	38,293,426	(2,877,225)	(896,281)	(1,929,844)	(5,051,250)	(995,435)	-	-
Total yield / interest rate risk sensitivity gap			91,638,170	(376,517,296)	519,602,448	249,582,497	155,328,581	72,230,558	101,674,858	72,358,984	30,560,176	(632,645,877)
Cumulative yield / Interest rate risk sensitivity gap			91,638,170	(284,879,126)	234,723,322	484,305,819	639,634,400	711,864,958	813,539,816	885,898,800	916,458,976	283,813,099

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

45.3 Enterprise Risk Management

The Enterprise Risk Management (ERM) vertical of Risk Management, set up by the Bank in 2020, and was further strengthened during the year 2021. Enterprise Risk Management is applicable to all functions within the Bank which ensures robust and consistent approach to risk management at all levels of the organization.

The Bank's Enterprise Risk Management Framework, approved by the Board, outlines the high level essentials of enterprise risk management components, key ERM principles, concepts and suggests a common ERM language, while providing a clear direction and guidance for integrated risk management within the Bank. Day-to-day responsibility for risk management is disseminated through the delegation of individual accountability, with reporting and escalations facilitated through governance structure. Standards, policies, and limits are defined to ensure tasks and processes are well controlled.

The Enterprise Risk Management Team has created a Bank-wide "Risk Taxonomy"; the objective of the Risk Taxonomy is to converge all risks and issues, which helps management in:

- Identifying cumulative impact against each risk type to assess materiality of the risk / issue, providing a holistic picture
- Standardizing root-cause analysis of risks / issues by doing thematic reviews.

The ERM function also includes a Model Risk Management (MRM) arm that aims to provide independent review and validation of all models being used in the Bank. Another initiative launched during the year under ERM is the New Product Initiative Assessment (NPIA) process whereby all risks within new products/services are comprehensively identified and assessed as per Bank's Risk Taxonomy. The goal is to ensure that they are adequately managed / mitigated with relevant controls in place. NPIA applies to all business lines and across all locations of the Bank.

45.4 Operational Risk Management (ORM)

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational Risk Management is housed within Risk Management and a comprehensive ORM Framework is in place which address all the significant aspects of ORM i.e. people, processes, systems and external events. A SAS software has been deployed that facilitates loss data management, Risk and Control Assessments and tracking of Key Risk Indicators (KRIs). Operational Risk Coordinators have been assigned from all relevant departments of the Bank and are responsible for implementation of the Framework in coordination with the ORM department. An Operational Risk Management Committee (ORMC) is in place to monitor and oversee operational risk issues. The Bank uses the Alternative Standardized Approach (ASA) under Basel II but with a capital floor i.e., the operational risk capital charge under ASA should not fall below a certain percentage of the operational risk capital charge calculated under the Basic Indicator Approach (BIA). The Bank is the first Pakistani bank to achieve this milestone.

Key ORM tools such as Risk Control Self-Assessment (RCSA), KRIs and Operational Loss Data Management are used to gauge the likelihood and severity of operational risk. The Bank uses stress testing to proactively assess impacts to the bank. RCSA exercises are conducted at regular intervals across the Bank. Operational risk reports are regularly submitted to the senior management and the BRMC.

45.4.1 Business Continuity Planning (BCP)

It is the policy of the Bank to maintain a well-defined business continuity program which comprises of policy and procedures and plans with clearly defined roles, responsibilities and ownership for Crisis Management, Emergency Response, Business Continuity and IT Disaster Recovery. The Bank's Business Continuity Steering Committee, which includes representation from the senior management of the Bank, is the governing body of BCP matters and meets on a periodic basis to review key initiatives, testing results and related action plans for strengthening the Bank's ability to manage crisis situations. The Bank's business continuity program complies with the regulatory framework and the leading Business Continuity Management standard, ISO 22301, and is subject to regular internal, external and regulatory reviews and audits.

45.4.2 IT related controls

During the year, the Bank's IT controls were further strengthened, with special focus on controls around remote access. Enhanced focus and visibility was given to IT Audit and Compliance, and several control/monitoring initiatives were launched in close coordination with the Internal Audit function of the Bank. A formal procedure for IT Risk Management was introduced to identify and mitigate potential risk areas in a centralized manner. This has been further aligned with ETGRM as well as ERM and ORM frameworks. Enterprise wide Risk Coordinators have been identified and IT Risk Coordinator has been identified to coordinate with stakeholders and ensure that risks are reported and coordinated regularly. An IT risk register has been developed to track IT risks and ensure more stakeholder engagement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

A COBIT 2019 gap assessment has been completed and remediation activity on selected processes/objectives is in progress to achieve the desired capability level. Controls around 'Cloud Computing' were put in place as per the directives and framework provided by SBP. IT introduced better visibility of its Services Management function by revamping existing processes and introducing new processes for effective controls and visibility across the Bank. The IT Steering Committee discipline was established at all international locations to bring efficiency and effectiveness in technology governance and operations.

45.4.3 Information Security Risk

It is vitally important for Bank to protect its customers and their data from cyberattacks and provide secure banking services. Information Security plays a pivotal role in protecting the Bank's data assets from both internal and external threats through effective cyber security risk management, supported by preventive and detective controls capable of responding to emerging external threats.

The COVID 19 pandemic and its associated remote working environment has created opportunities for cyber criminals to steal sensitive data and commit fraudulent activities. Moreover, the Bank's increased digitization, the changing threat landscape, the rise of social engineering frauds, and stringent oversight of the regulator requires continuous measures to strengthen the information security posture of the Bank.

Targeted and frequent information security awareness initiatives for customers and employees were launched using expanded delivery channels, to elevate their level of awareness and better equip them to counter security challenges.

Significant progress has been made in raising information security standards in the international territories to a level consistent with the policies, standards, and controls implemented in the rest of the Bank.

An International external maturity assessment against best practices of Security Operation Center (SOC) was conducted to benchmark our practices with regional standards.

Moving forward, the Bank plans to strengthen our cyber-defenses through the use of automation and modern technologies, AI and machine learning, targeted customer and staff awareness, adoption of international best practices, Cloud framework and security, customer data protection initiatives, strengthening of API controls, Digital Payments security, security orchestration-based analysis while proactively mitigating against advanced security threats. Furthermore, enhancement of data loss prevention measures, identity and access management, cyber fraud prevention, privileged access management, as well as strengthening ATM security controls besides further alignment of security operation center with international best practices would be the key focus of 2022.

Customers are an important component of the security process and continuous customer education about cyber risks will remain an important component of our defense strategy. These security measures will allow Bank to continue offering innovative digital solutions to its clients while ensuring them protection and peace of mind.

45.5 Liquidity Risk Management

Liquidity risk is the risk that the Bank may be unable to meet its cash obligations as they become due, or to fund assets, at a reasonable cost, because of the inability to liquidate assets, or to obtain adequate funding.

The Bank follows a comprehensive liquidity risk management policy duly approved by the Board. The policy provides necessary guidelines for establishing a robust liquidity risk management framework which helps in identifying the key liquidity and funding risks to which the bank is exposed, describes how these risks are identified, measured, monitored and reported, and prescribes the techniques and resources used to manage and mitigate these risks. The policy stipulates maintenance of various ratios, funding preferences, and evaluation of the Bank's liquidity under normal and crisis situations (stress testing). The Bank also has a Contingency Funding Plan in place to address liquidity issues in times of crisis. This plan identifies early warning indicators to preempt unforeseen liquidity crises. Triggers are used to ascertain potential stress scenarios.

The Bank's ALCO is responsible for the formulation of overall strategy and oversight of asset and liability management. Liquidity Risk is monitored using a range of metrics, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR); liquidity gaps and various liquidity ratios are regularly monitored by Market Risk Management. Liquidity risk is reviewed by ALCO on a monthly basis and an update is provided to the BRMC on a quarterly basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

45.5.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Group

	2021													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	----- (Rupees in '000) -----													
Assets														
Cash and balances with treasury banks	441,252,246	426,697,951	9,687,044	702,262	1,404,524	-	-	-	-	2,760,465	-	-	-	
Balances with other banks	64,438,075	52,671,491	3,796,981	4,041,096	2,158,380	1,485,344	264,890	-	-	19,893	-	-	-	-
Lendings to financial institutions	93,742,432	-	42,953,067	19,591,484	9,836,081	1,700,000	19,661,800	-	-	-	-	-	-	-
Investments	1,948,955,978	-	9,060,103	8,008,040	17,689,095	44,689,736	191,802,861	158,624,712	129,540,449	39,347,661	353,263,279	149,763,596	314,827,792	532,338,654
Advances	1,507,047,097	321,501,969	69,963,505	13,312,743	28,118,123	44,683,542	37,780,816	100,415,436	71,271,461	75,202,842	163,960,725	135,365,959	184,879,667	260,590,309
Fixed assets	98,676,342	7,822,501	113,377	132,273	321,234	574,757	574,757	1,724,272	1,724,272	1,724,272	6,897,090	6,897,090	7,877,221	62,293,226
Intangible assets	12,630,475	2,059,221	18,892	22,041	53,528	95,773	95,773	287,318	287,318	287,318	1,149,273	1,149,273	1,460,757	5,663,990
Other assets	150,725,500	1,237,980	7,427,884	8,665,864	19,215,510	16,050,841	16,050,841	40,094,768	9,953,257	9,733,421	21,612,674	280,134	-	402,326
	4,317,468,145	811,991,113	143,020,853	54,475,803	78,796,475	109,279,993	266,231,738	301,146,506	212,776,757	129,075,872	546,883,041	293,456,052	509,045,437	861,288,505
Liabilities														
Bills payable	44,196,984	44,196,984	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	436,258,005	653,970	4,624,531	48,157,698	4,812,910	131,854,096	36,907,850	43,043,041	4,552,558	44,896,053	11,007,311	13,779,480	18,982,943	72,985,564
Deposits and other accounts	3,381,998,398	2,697,560,894	61,031,839	71,203,813	172,923,545	81,669,907	81,669,907	69,472,968	53,075,319	53,075,319	9,226,839	18,984,320	3,468,912	8,634,816
Subordinated debt	12,374,000	-	-	-	-	-	-	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	5,082,602	8,725	(6,036)	(7,042)	(17,103)	(120,241)	(120,241)	(151,798)	(72,772)	(72,772)	(1,442,179)	(793,284)	(1,613,102)	9,490,447
Other liabilities														
Lease Liability against right-of-use asset	22,307,342	5,922	35,533	41,455	100,676	180,130	180,130	540,391	540,391	540,391	2,161,564	2,161,564	4,323,128	11,496,067
Others	131,565,012	4,114,846	24,689,076	28,803,922	65,898,955	1,224,253	1,224,253	1,801,112	629,152	629,152	313,312	300,853	1,865,402	70,724
	4,033,782,343	2,746,541,341	90,374,943	148,199,846	243,718,983	214,808,145	119,861,899	114,705,714	58,724,648	99,068,143	21,266,847	34,432,933	27,027,283	115,051,618
Net assets	283,685,802	(1,934,550,228)	52,645,910	(93,724,043)	(164,922,508)	(105,528,152)	146,369,839	186,440,792	154,052,109	30,007,729	525,616,194	259,023,119	482,018,154	746,236,887
Share capital	14,668,525													
Reserves	81,375,519													
Surplus on revaluation of assets - net of tax	25,159,371													
Unappropriated profit	158,441,418													
Non-controlling interest	4,040,969													
	283,685,802													

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2020

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Assets														
(Rupees in '000)														
Cash and balances with treasury banks	375,280,120	351,496,396	9,510,305	-	14,248,180	-	25,239	-	-	-	-	-	-	-
Balances with other banks	56,533,829	39,616,425	10,782,775	2,116,860	1,433,357	1,146,421	1,437,991	-	-	-	-	-	-	-
Lendings to financial institutions	30,154,193	-	3,959,681	3,300,000	15,894,512	-	7,000,000	-	-	-	-	-	-	-
Investments	1,948,576,822	639,619	695,248	3,677,888	58,209,184	41,092,361	345,539,736	162,096,764	277,163,355	10,437,198	178,053,042	124,129,943	257,096,448	489,746,036
Advances	1,223,510,222	282,525,053	52,736,716	9,357,584	22,356,733	32,464,101	61,502,930	75,636,302	55,824,155	58,911,740	143,725,303	124,066,445	130,161,711	174,241,449
Fixed assets	89,190,210	2,656,636	103,237	120,443	275,298	516,185	516,184	1,548,553	1,548,553	1,548,553	6,194,213	6,194,213	7,667,639	60,300,503
Intangible assets	10,412,880	1,622,612	12,409	14,477	33,090	62,044	62,044	186,131	186,131	186,131	744,524	744,524	1,139,528	5,419,235
Other assets	115,404,542	1,456,255	8,737,514	10,193,766	23,438,259	9,307,796	9,307,796	17,425,333	6,884,762	7,268,336	-	21,384,725	-	-
	3,849,062,818	680,012,996	86,537,885	28,781,018	135,888,613	84,588,908	425,391,920	256,893,083	341,606,956	78,351,958	328,717,082	276,519,850	396,065,326	729,707,223
Liabilities														
Bills payable	46,434,199	46,434,199	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	544,107,826	543,764	286,134,658	24,084,799	37,998,397	10,253,298	42,845,090	23,348,315	52,250	42,934	39,920,322	9,771,489	22,276,861	46,835,649
Deposits and other accounts	2,830,371,390	2,249,084,865	48,668,898	57,029,430	146,591,263	65,883,833	50,838,861	73,159,095	45,408,644	45,408,644	13,663,854	9,815,111	17,172,974	7,645,918
Subordinated debt	22,356,000	-	-	-	-	9,982,000	-	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	10,387,859	6,282	37,697	43,980	100,525	434,937	434,937	378,998	343,139	343,139	(719,857)	(369,670)	(723,357)	10,077,109
Other liabilities														
Lease Liability against right-of-use asset	18,213,249	5,157	30,943	36,101	82,516	154,717	154,717	464,150	464,150	464,150	1,856,600	1,856,600	3,713,200	8,930,248
Others	111,697,048	3,723,234	22,339,410	26,062,645	59,571,759	-	-	-	-	-	-	-	-	-
	3,583,567,571	2,299,797,501	357,211,606	107,256,955	244,344,460	86,708,785	94,273,605	97,350,558	46,268,183	46,258,867	54,720,919	21,073,530	42,439,678	85,862,924
Net assets	265,495,247	(1,619,784,505)	(270,673,721)	(78,475,937)	(108,455,847)	(2,119,877)	331,118,315	159,542,525	295,338,773	32,093,091	273,996,163	255,446,320	353,625,648	643,844,299
Share capital	14,668,525													
Reserves	72,062,025													
Surplus on revaluation of assets - net of tax	36,004,914													
Unappropriated profit	138,208,223													
Non-controlling interest	4,551,560													
	265,495,247													

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

45.5.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

Assets and liabilities which have contractual maturities have been reported as per the remaining maturities, whereas assets and liabilities which do not have any contractual maturities have been reported as per their expected maturities calculated on the basis of an objective and systematic behavioral study approved by the ALCO.

	2021									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	------(Rupees in '000)-----									
Assets										
Cash and balances with treasury banks	441,252,246	307,182,926	12,238,923	7,302,617	25,068,426	18,784,034	9,812,757	13,623,858	23,246,600	23,992,105
Balances with other banks	64,438,075	62,667,948	1,750,234	-	19,893	-	-	-	-	-
Lendings to financial institutions	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-
Investments	1,948,955,978	34,757,238	236,492,597	158,624,712	168,888,110	353,263,279	149,763,596	314,827,793	428,162,687	104,175,966
Advances	1,507,047,097	161,920,025	115,009,117	126,137,279	188,475,592	218,910,603	182,250,566	254,137,064	134,618,654	125,588,197
Fixed assets	98,676,342	8,378,362	1,149,515	1,724,272	3,448,545	6,897,090	6,897,090	7,884,046	12,710,771	49,586,651
Intangible assets	12,630,475	2,151,845	191,545	287,318	574,636	1,149,273	1,149,273	1,462,595	-	5,663,990
Other assets	150,725,500	35,508,797	36,301,782	38,184,320	18,579,982	21,708,444	281,044	-	161,131	-
	4,317,468,145	684,947,773	424,495,513	332,260,518	405,055,184	620,712,723	350,154,326	591,935,356	598,899,843	309,006,909
Liabilities										
Bills payable	44,196,984	8,367,265	853,089	34,976,630	-	-	-	-	-	-
Borrowings	436,258,005	58,249,109	168,800,165	43,421,012	49,732,681	11,598,450	14,406,913	16,670,978	65,355,555	8,023,142
Deposits and other accounts	3,381,998,398	955,209,378	249,242,548	181,583,090	432,805,501	333,394,713	174,174,096	239,477,908	401,975,826	414,135,338
Subordinated debt	12,374,000	-	-	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	5,082,602	(21,562)	(240,447)	(151,646)	(145,519)	(1,442,127)	(793,388)	(1,613,113)	3,611,383	5,879,021
Other liabilities										
Lease Liability against right-of-use asset	22,307,342	180,130	360,261	540,391	1,080,782	2,161,564	2,161,564	4,323,128	11,499,522	-
Others	131,565,012	35,126,263	39,649,085	16,441,101	20,979,093	3,651,047	963,993	1,927,985	12,683,087	143,358
	4,033,782,343	1,057,110,583	458,664,701	276,810,578	504,452,538	349,363,647	190,913,178	260,786,886	495,125,373	440,554,859
Net assets	283,685,802	(372,162,810)	(34,169,188)	55,449,940	(99,397,354)	271,349,076	159,241,148	331,148,470	103,774,470	(131,547,950)
Share capital	14,668,525									
Reserves	81,375,519									
Surplus on revaluation of assets - net of tax	25,159,371									
Unappropriated profit	158,441,418									
Non-controlling interest	4,040,969									
	283,685,802									

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2020									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	375,280,120	284,407,384	5,913,911	5,495,033	13,107,319	15,135,918	7,150,285	10,841,125	17,393,550	15,835,595
Balances with other banks	56,533,829	53,949,417	2,584,412	-	-	-	-	-	-	-
Lendings to financial institutions	30,154,193	23,154,193	7,000,000	-	-	-	-	-	-	-
Investments	1,948,576,822	63,221,939	386,632,097	162,096,764	293,439,335	178,053,042	124,129,943	257,096,448	411,973,845	71,933,409
Advances	1,223,510,222	132,073,904	118,712,650	92,969,161	151,932,033	196,845,905	165,239,472	192,649,961	101,287,366	71,799,770
Fixed assets	89,190,210	3,155,614	1,032,369	1,548,553	3,097,106	6,194,213	6,194,213	7,667,639	11,012,636	49,287,867
Intangible assets	10,412,880	1,682,587	124,087	186,131	372,262	744,523	744,523	1,139,527	-	5,419,240
Other assets	115,404,542	18,705,619	29,730,219	36,666,681	15,483,523	242,476	14,212,314	320,950	42,760	-
	3,849,062,818	580,350,657	551,729,745	298,962,323	477,431,578	397,216,077	317,670,750	469,715,650	541,710,157	214,275,881
Liabilities										
Bills payable	46,434,199	9,139,014	884,373	36,410,812	-	-	-	-	-	-
Borrowings	544,107,826	350,323,442	51,536,565	23,348,315	95,184	39,920,322	9,771,489	22,276,861	38,843,367	7,992,281
Deposits and other accounts	2,830,371,390	783,593,713	160,920,659	154,864,162	315,410,899	326,073,671	156,534,635	231,085,373	367,392,028	334,496,250
Subordinated debt	22,356,000	-	9,982,000	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	10,387,859	146,051	867,743	378,998	686,278	(719,857)	(369,670)	(722,890)	4,320,561	5,800,645
Other liabilities										
Lease Liability against right-of-use asset	18,213,249	154,717	309,433	464,150	928,300	1,856,600	1,856,600	3,713,201	8,930,248	-
Others	111,697,048	28,414,176	34,965,344	15,933,805	15,437,544	1,965,178	1,215,782	2,547,145	11,026,234	191,840
	3,583,567,571	1,171,771,113	259,466,117	231,400,242	332,558,205	369,095,914	169,008,836	258,899,690	430,512,438	360,855,016
Net assets	265,495,247	(591,420,456)	292,263,628	67,562,081	144,873,373	28,120,163	148,661,914	210,815,960	111,197,719	(146,579,135)
Share capital	14,668,525									
Reserves	72,062,025									
Surplus on revaluation of assets - net of tax	36,004,914									
Unappropriated profit	138,208,223									
Non-controlling interest	4,551,560									
	265,495,247									

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

45.6 Derivatives Risk

The policy guidelines for Derivatives exposures are approved by the Board of Directors (BoD) on the recommendation of the Board Risk Management Committee (BRMC).

The responsibility for Derivatives activity lies with the Treasury and Global Markets business. Measurement and monitoring of market and credit risk limits and exposure, and reporting thereof to senior management and the BoD is done by Market Risk Management (MRM) which, in coordination with the business, also presents limits for review and approval to ALCO and the BRMC. Treasury Operations records derivatives activity in the Bank's books, executes settlements of trades and carries out regulatory reporting to the SBP.

45.6.1 Credit Risk

Credit risk is the risk of non-performance by a counterparty which could result in an adverse impact on the Bank's profitability. The Credit risk associated with derivative transactions is categorized into settlement risk and pre-settlement risk. Pre-settlement risk limits for derivative transactions are recommended by MRM for approval to the appropriate Credit Approval Authority.

45.6.2 Market Risk

The Bank, as a policy, hedges all Options transactions back-to-back. The Bank minimizes the exchange rate risk on its Cross Currency Swaps portfolio by hedging the exposure in the interbank market on a rolling basis. The Bank also manages the interest rate risk of Interest Rate Derivatives and Cross Currency Swaps through Price Value of a Basis Point (PVBP) limits which are monitored and reported by MRM to senior management on a daily basis. These limits are approved by ALCO annually and then approved by the BoD on the recommendations of the BRMC. However interim limit enhancements / amendments may also be sought.

45.6.3 Operational Risk

The Bank has put in place a robust control framework for derivatives transactions. Front office staff dealing in derivatives have the requisite training and experience to conduct this business; responsibilities have been divided amongst the Structuring Desk (tasked with the overall ownership of derivatives and structured products), Trading (which proactively manages the risk from a business perspective), and Treasury Sales (who are involved in marketing and executing transactions with the Bank's client base).

A detailed product program, approved by the Board of Directors, governs the entire value chain for Derivatives, including credit and market risk management, booking, sales practices and settlement. There is a clear segregation of duties whereby operational aspects are handled by Treasury Operations, whereas all Risk issues are the responsibility of the Risk department. A Treasury Middle Office function, reporting into Risk, carries out daily monitoring of exposures. Finally, Compliance monitors any deviation from approved policies and procedures. Internal Audit also regularly reviews systems, transactional processes, accounting practices and end-user roles and responsibilities as part of their reviews of this function.

The Bank uses a derivatives system – integrated into the Bank's core Treasury system - which provides an end-to-end valuation solution, supports the routine transactional process and provides analytical tools to measure various risk exposures and carry out stress tests and sensitivity analyses. MRM provides details of outstanding positions, profitability, risk exposures and limit compliance to senior management on a periodic basis.

45.6.4 Liquidity Risk

The types of Derivative transactions entered into by HBL are typically straightforward, or 'vanilla' transactions, whereby the Bank is exposed to a negligible amount of Liquidity Risk.

46 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 46.1 The Board of Directors, in its meeting held on February 24, 2022, has proposed a final cash dividend of Rs 2.25 per share for the year 2021. This is in addition to the Rs 5.25 already paid during the year bringing the total dividend for the year to Rs 7.50 per share (2020: Rs 4.25 per share). This appropriation is expected to be approved by the shareholders in the forthcoming Annual General Meeting. The consolidated financial statements for the year ended December 31, 2021 do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2022.

47 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on February 24, 2022.

48 GENERAL

- 48.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

**Islamic banking business - Consolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2021**

ANNEXURE-I

Details of the Islamic banking business for the year ended December 31, 2021 is disclosed in Annexure I of the unconsolidated financial statements.

**Details of advances written-off - Consolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2021**

ANNEXURE-II

Details of advances written-off for the year ended December 31, 2021 are disclosed in Annexure II of the unconsolidated financial statements.

**Details of disposal of fixed assets to related parties - Consolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2021**

ANNEXURE-III

The particulars of disposal of fixed assets to related parties are given below:

Description	Original cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyer
------(Rupees in '000)-----						
Electrical, Office and Computer Equipment	462	237	225	307	Insurance Claim	Jubilee General Insurance Limited
Leasehold Improvements	2,015	576	1,439	1,587	Auction	Jubilee General Insurance Limited
Vehicles	887	784	104	650	Auction	Jubilee General Insurance Limited
Total	<u>3,364</u>	<u>1,597</u>	<u>1,768</u>	<u>2,544</u>		



UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

HABIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

2021 (US \$ in '000)	2020		Note	2021 (Rupees in '000)	2020
ASSETS					
2,320,099	1,971,457	Cash and balances with treasury banks	5	409,528,880	347,988,749
182,287	217,676	Balances with other banks	6	32,176,188	38,422,719
531,078	170,832	Lendings to financial institutions	7	93,742,432	30,154,193
10,793,444	10,833,381	Investments	8	1,905,188,657	1,912,237,993
7,843,873	6,329,946	Advances	9	1,384,549,476	1,117,320,960
533,434	477,870	Fixed assets	10	94,158,252	84,350,518
37,467	26,042	Intangible assets	11	6,613,409	4,596,807
21,216	-	Deferred tax assets	12	3,744,933	-
820,821	615,476	Other assets	13	144,885,979	108,639,781
23,083,719	20,642,680			4,074,588,206	3,643,711,720
LIABILITIES					
248,445	261,296	Bills payable	14	43,853,860	46,122,344
2,448,887	3,059,796	Borrowings	15	432,261,654	540,095,253
18,039,758	15,123,437	Deposits and other accounts	16	3,184,260,887	2,669,490,716
-	-	Liabilities against assets subject to finance lease		-	-
70,102	126,653	Subordinated debt	17	12,374,000	22,356,000
-	16,819	Deferred tax liabilities	12	-	2,968,857
815,286	679,574	Other liabilities	18	143,908,895	119,953,785
21,622,478	19,267,575			3,816,659,296	3,400,986,955
<u>1,461,241</u>	<u>1,375,105</u>	NET ASSETS		<u>257,928,910</u>	<u>242,724,765</u>
REPRESENTED BY					
Shareholders' equity					
83,101	83,101	Share capital	19	14,668,525	14,668,525
394,750	357,143	Reserves		69,678,669	63,040,638
142,704	202,550	Surplus on revaluation of assets - net of tax	20	25,189,245	35,752,856
840,686	732,311	Unappropriated profit		148,392,471	129,262,746
<u>1,461,241</u>	<u>1,375,105</u>			<u>257,928,910</u>	<u>242,724,765</u>
CONTINGENCIES AND COMMITMENTS					
			21		

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020		Note	2021 (Rupees in '000)	2020
1,389,424	1,460,380	Mark-up / return / profit / interest earned	23	245,252,121	257,776,834
704,223	768,921	Mark-up / return / profit / interest expensed	24	124,304,851	135,725,021
685,201	691,459	Net mark-up / return / profit / interest income		120,947,270	122,051,813
Non mark-up / interest income					
126,018	92,646	Fee and commission income	25	22,243,819	16,353,273
8,549	9,448	Dividend income		1,509,089	1,667,625
26,048	(2,388)	Foreign exchange income / (loss)		4,597,846	(421,527)
(1,032)	6,107	(Loss) / gain from derivatives		(182,098)	1,077,945
8,168	39,812	Gain on securities - net	26	1,441,844	7,027,427
6,311	216	Other income	27	1,113,933	38,211
174,062	145,841	Total non mark-up / interest income		30,724,433	25,742,954
859,263	837,300	Total income		151,671,703	147,794,767
Non mark-up / interest expenses					
479,327	471,078	Operating expenses	28	84,607,713	83,151,607
6,682	6,255	Workers' Welfare Fund - charge	29	1,179,500	1,104,030
3,157	1,817	Other charges	30	557,178	320,793
489,166	479,150	Total non mark-up / interest expenses		86,344,391	84,576,430
370,097	358,150	Profit before provisions and taxation		65,327,312	63,218,337
35,990	57,921	Provisions / (reversals) and write offs - net	31	6,352,849	10,223,853
334,107	300,229	Profit before taxation		58,974,463	52,994,484
139,949	121,638	Taxation	32	24,702,969	21,470,802
194,158	178,591	Profit after taxation		34,271,494	31,523,682
(Rupees)					
Basic and diluted earnings per share					
			33	23.36	21.49

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020		2021 (Rupees in '000)	2020
194,158	178,591	Profit after taxation for the year	34,271,494	31,523,682
		Other comprehensive income / (loss)		
		<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>		
19,587	8,288	Effect of translation of net investment in foreign branches - net of tax	3,457,371	1,462,914
(59,573)	27,741	Movement in surplus / deficit on revaluation of investments - net of tax	(10,515,404)	4,896,687
		<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>		
1,166	(877)	Remeasurement gain/(loss) on defined benefit obligations - net of tax	206,025	(154,770)
-	34,222	Movement in surplus / deficit on revaluation of fixed assets - net of tax	-	6,040,669
753	281	Movement in surplus / deficit on revaluation of non-banking assets - net of tax	132,680	49,570
<u>156,091</u>	<u>248,246</u>	Total comprehensive income	<u>27,552,166</u>	<u>43,818,752</u>

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Share capital	Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Total
	Statutory (note 19.5)	Capital		Investments	Fixed / Non-banking assets		
		Exchange translation (note 19.6)	Non - distributable				
(Rupees in '000)							
14,668,525	33,463,859	23,263,185	547,115	3,573,355	21,237,500	104,668,407	201,421,946
-	-	-	-	-	-	31,523,682	31,523,682
-	-	1,462,914	-	-	-	-	1,462,914
-	-	-	-	-	-	(154,770)	(154,770)
-	-	-	-	4,896,687	6,090,239	-	10,986,926
-	-	1,462,914	-	4,896,687	6,090,239	31,368,912	43,818,752
-	3,152,368	-	-	-	-	(3,152,368)	-
-	-	-	-	-	(44,925)	44,925	-
-	-	1,151,197	-	-	-	-	1,151,197
-	-	-	-	-	-	(1,833,565)	(1,833,565)
-	-	-	-	-	-	(1,833,565)	(1,833,565)
-	-	-	-	-	-	(3,667,130)	(3,667,130)
14,668,525	36,616,227	25,877,296	547,115	8,470,042	27,282,814	129,262,746	242,724,765
-	-	-	-	-	-	34,271,494	34,271,494
-	-	3,457,371	-	-	-	-	3,457,371
-	-	-	-	-	-	206,025	206,025
-	-	-	-	(10,515,404)	132,680	-	(10,382,724)
-	-	3,457,371	-	(10,515,404)	132,680	34,477,519	27,552,166
-	3,427,149	-	-	-	-	(3,427,149)	-
-	-	-	-	-	(180,887)	180,887	-
-	-	(246,489)	-	-	-	-	(246,489)
-	-	-	-	-	-	(4,400,556)	(4,400,556)
-	-	-	-	-	-	(2,566,992)	(2,566,992)
-	-	-	-	-	-	(2,566,992)	(2,566,992)
-	-	-	-	-	-	(2,566,992)	(2,566,992)
-	-	-	-	-	-	(12,101,532)	(12,101,532)
14,668,525	40,043,376	29,088,178	547,115	(2,045,362)	27,234,607	148,392,471	257,928,910

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020		Note	2021 (Rupees in '000)	2020
		CASH FLOWS FROM OPERATING ACTIVITIES			
334,107	300,229	Profit before taxation		58,974,463	52,994,484
(8,549)	(9,448)	Dividend income		(1,509,089)	(1,667,625)
325,558	290,781			57,465,374	51,326,859
		Adjustments:			
36,341	30,968	Depreciation		6,414,731	5,466,280
5,574	4,201	Amortisation		983,969	741,559
15,763	18,116	Depreciation on right-of-use assets		2,782,450	3,197,780
17,240	9,602	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		3,043,048	1,694,796
7,020	14,748	Mark-up / return / profit / interest expensed on subordinated debt		1,239,075	2,603,244
(6,974)	(3,020)	Reversal of provision for diminution in value of investments		(1,230,989)	(533,085)
32,875	57,998	Provision against loans and advances		5,802,879	10,237,475
1,077	3,728	Provision against other assets		190,136	658,088
8,727	2,180	Provision against off-balance sheet obligations		1,540,508	384,791
(381)	(213)	Unrealised gain on held-for-trading securities		(67,261)	(37,550)
(1,396)	-	Exchange gain realised on partial repatriation of branch capital - net of tax		(246,489)	-
(76)	(7,906)	Exchange gain realised on liquidation of subsidiary		(13,354)	(1,395,593)
-	6,522	Exchange loss realized on closure of Bank branch - net of tax		-	1,151,197
(418)	(437)	Gain on sale of fixed assets - net		(73,824)	(77,204)
(91)	(14)	Gain on sale of non - banking assets		(16,000)	(2,500)
6,682	6,255	Workers' Welfare Fund - charge		1,179,500	1,104,030
121,963	142,728			21,528,379	25,193,308
447,521	433,509			78,993,753	76,520,167
		(Increase) / decrease in operating assets			
(360,246)	85,823	Lendings to financial institutions		(63,588,239)	15,149,006
(415,313)	767,602	Held-for-trading securities		(73,308,334)	135,492,098
(1,546,802)	(308,984)	Advances		(273,031,395)	(54,539,766)
(203,391)	98,938	Other assets (excluding advance taxation)		(35,901,214)	17,463,821
(2,525,752)	643,379			(445,829,182)	113,565,159
		Increase / (decrease) in operating liabilities			
(12,852)	93,976	Bills payable		(2,268,484)	16,588,041
(610,909)	895,250	Borrowings from financial institutions		(107,833,599)	158,023,741
2,916,322	2,082,513	Deposits and other accounts		514,770,171	367,591,630
89,615	(1,409)	Other liabilities		15,817,822	(248,794)
2,382,176	3,070,330			420,485,910	541,954,618
303,945	4,147,218			53,650,481	732,039,944
(142,256)	(78,885)	Income tax paid		(25,110,163)	(13,924,234)
161,689	4,068,333	Net cash flows generated from operating activities		28,540,318	718,115,710
		CASH FLOWS FROM INVESTING ACTIVITIES			
779,077	(3,546,772)	Net investment in available-for-sale securities		137,517,545	(626,053,217)
(398,373)	(352,430)	Net investment in held-to-maturity securities		(70,318,201)	(62,208,709)
(14,165)	(3,680)	Net investment in subsidiaries		(2,500,374)	(649,603)
(1,726)	653	Net investment in associates		(304,652)	115,334
7,585	9,362	Dividend received		1,338,902	1,652,599
(73,973)	(35,186)	Investment in fixed assets		(13,057,294)	(6,210,883)
(16,784)	(10,204)	Investment in intangible assets		(2,962,517)	(1,801,173)
207	17,116	Proceeds realised on liquidation of subsidiary		36,590	3,021,200
603	871	Proceeds from sale of fixed assets		106,525	153,674
1,224	241	Proceeds from sale of non-banking assets		216,000	42,500
19,587	8,288	Effect of translation of net investment in foreign branches - net of tax		3,457,371	1,462,914
303,262	(3,911,741)	Net cash flows generated from / (used in) investing activities		53,529,895	(690,475,364)
		CASH FLOWS FROM FINANCING ACTIVITIES			
(56,551)	(23)	Repayment of subordinated debt		(9,982,000)	(4,000)
(8,597)	(16,258)	Payment of mark-up on subordinated debt		(1,517,481)	(2,869,791)
(25,052)	(23,070)	Payment of lease liability against right-of-use assets		(4,421,977)	(4,072,209)
(61,498)	(20,759)	Dividend paid		(10,855,155)	(3,664,234)
(151,698)	(60,110)	Net cash flows used in financing activities		(26,776,613)	(10,610,234)
313,253	96,482	Increase in cash and cash equivalents during the year		55,293,600	17,030,112
2,153,575	2,077,208	Cash and cash equivalents at the beginning of the year		380,135,020	366,655,443
35,558	15,443	Effect of exchange rate changes on cash and cash equivalents		6,276,448	2,725,913
2,189,133	2,092,651			386,411,468	369,381,356
2,502,386	2,189,133	Cash and cash equivalents at the end of the year	34	441,705,068	386,411,468

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Islamabad and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,648 (2020: 1,659) branches inside Pakistan including 259 (2020: 62) Islamic Banking Branches and 37 (2020: 38) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 Habib Finance International Limited (HFIL) had voluntarily surrendered its banking license in 2019 and was under voluntary liquidation. HFIL's final general meeting to conclude the liquidation was held on February 19, 2021 and the company stands formally dissolved as on May 19, 2021. The entire capital has been repatriated to Pakistan.
- 1.2 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.3 The Bank has decided to exit its operations in Mauritius and is considering various options regarding the same.
- 1.4 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.5 HBL Microfinance Bank Limited (HBL MFB), was formerly known as First MircoFinance Bank Limited with the change of name taking effect from January 12, 2022. During the year, the Bank has subscribed to 200 million Rights shares issued by HBL MFB. Resultantly, the Bank's holding in HBL MFB has increased from 50.51% to 71.43%.

2 BASIS OF PRESENTATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic mode, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

Key financial figures of the Islamic banking branches are disclosed in Annexure I to these unconsolidated financial statements.

The US Dollar amounts shown in these unconsolidated financial statements are stated solely for information. The statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement as at and for the years ended December 31, 2021 and 2020 have all been converted using an exchange rate of Rupees 176.5135 per US Dollar.

2.2 Statement Of Compliance

These unconsolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. These comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the Securities & Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The SECP has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' with effect from January 1, 2014. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and accordingly, the Bank prepares financial statements as per the format issued vide BPRD Circular 2 of 2018.

IFRS 10, Consolidated Financial Statements, was notified by the SECP as applicable for accounting periods beginning from January 1, 2015. However, the SECP, through SRO 56(I)/2016 dated January 28, 2016, has directed that the requirement of consolidation under this standard and under Section 228 of the Companies Act, 2017, is not applicable in the case of investments by a bank in mutual funds managed by its own asset management company and established under the trust structure. Therefore, investments by the Bank in mutual funds managed by HBL Asset Management Limited (HBL AMC) are not consolidated as would otherwise be required under the definition of control specified in IFRS 10.

These unconsolidated financial statements of the Bank are prepared using generally consistent accounting policies. However, Overseas branches comply with the local regulations enforced within their respective jurisdictions.

2.3 Amendments to existing accounting and reporting standards that have become effective in the current year.

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2021. These are considered either to not be relevant or to not have any significant impact on these unconsolidated financial statements.

2.4 Standards and amendments to existing accounting and reporting standards that are not yet effective.

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed and final implementation guidelines are awaited.

Except for the implementation of IFRS 9 in Pakistan, The Bank expects that adoption of the amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

2.5 Critical accounting estimates

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Bank's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgement was exercised in the application of accounting policies are as follows:

- i) Classification of investments (note 4.3)
- ii) Valuation and impairment of subsidiaries, associates, joint venture and investments (note 4.3)
- iii) Provision against advances (note 4.4.1)
- iv) Valuation and depreciation of fixed assets (note 4.5)
- v) Valuation of right-of-use assets and their related lease liability (note 4.6)
- vi) Valuation and amortization of intangible assets (note 4.7)
- vii) Valuation of non-banking assets acquired in satisfaction of claims (note 4.8)
- viii) Valuation of defined benefit plans (note 4.12)
- ix) Taxation (note 4.15)
- x) Fair value of derivatives (note 4.21)

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

During the year, the bank has reviewed the useful life of biometric Devices which are used for customer verification and are classified as office equipment. This review has resulted in a change in the useful life of these assets. Further, the depreciation method of Ijarah Assets has also been changed from reducing balance method to straight line method in order to ensure consistency with the Bank's depreciation method for the remainder of its fixed assets. These revisions have been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8. Accordingly, the effect of this change in accounting estimate has been recognised prospectively in the unconsolidated profit and loss account from the current year. The impact of this change is disclosed in note 10.2.1 and in note 3.1.1 of Annexure I to these unconsolidated financial statements.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except for:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

- Certain classes of fixed assets and non-banking assets acquired in satisfaction of claims, which are stated at revalued amounts less accumulated depreciation.
- Investments classified as held-for-trading and available-for-sale, which are measured at fair value.
- Derivative financial instruments, including forward foreign exchange contracts, which are measured at fair value.
- Right-of-use assets and their related lease liability, which are measured at their present values.
- Net obligations in respect of defined benefit schemes, which are measured at their present values.

3.2 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani rupees, which is the Bank's functional currency. Amounts are rounded to the nearest thousand Rupees.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

4.2 Lending / borrowing transactions with financial institutions

The Bank enters into transactions of reverse repos and repos at contracted rates for a specified period of time. These are recorded as under:

4.2.1 Purchase under resale agreements (reverse repo)

Securities purchased under agreement to resale are not recognised as investments in the financial statements and the amount extended to the counterparty is included in lendings to financial institutions. The difference between the purchase price and the contracted resale price is accrued on a time proportion basis over the period of the contract and recorded as markup income.

4.2.2 Sale under repurchase agreement (repo)

Securities sold under a repurchase agreement continue to be recognised as investments in the financial statements and the liability to the counterparty is included in borrowings. The difference between the sale price and the contracted repurchase price is accrued on a time proportion basis over the period of the contract and recorded as markup / interest expense.

4.2.3 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

4.3 Investments

The Bank classifies its investment portfolio, other than its investments in subsidiaries, associates and joint ventures, into the following categories:

Held-for-trading

These are securities included in a portfolio in which a pattern of short-term trading exists, or which are acquired for generating a profit from short-term fluctuations in market prices or interest rate movements. These securities are required to be sold within 90 days from the date of their purchase under normal circumstances.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold till maturity.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Available-for-sale

These are investments, other than investments in subsidiaries, associates and joint ventures, that do not fall under the held-for-trading or held-to-maturity categories.

4.3.1 Initial measurement

All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. The trade date is the date on which the Bank commits to purchase or sell the investment.

In the case of investments classified as held-for-trading, transaction costs are expensed through the profit and loss account. Transaction costs associated with investments other than those classified as held-for-trading are included in the cost of the investments.

4.3.2 Subsequent measurement

Held-for-trading

Investments classified as held-for-trading are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is taken to the profit and loss account.

Held-to-maturity

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest rate method, less any impairment recognised to reflect irrecoverable amounts.

Available-for-sale

Listed securities classified as available-for-sale are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is recorded in the surplus / deficit on revaluation of securities account (shown as part of equity in the statement of financial position) and is taken to the profit and loss account either when realised upon disposal or when the investment is considered to be impaired.

Unlisted equity securities are carried at the lower of cost and break-up value. The break-up value is calculated with reference to the net assets of the investee company as per its latest available audited financial statements. The Bank may also use unaudited or management accounts to determine if any additional impairment needs to be charged beyond amounts already charged based on audited financial statements. Other unlisted securities are valued at cost less impairment, if any.

4.3.3 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are recorded at cost less impairment, if any.

4.3.4 Impairment

The Bank determines that available-for-sale listed equity investments are impaired when there has been a significant or prolonged decline in the fair value of these investments below their cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the Bank evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance and changes in technology. A subsequent increase in the fair value of a previously impaired listed equity security is recorded in the statement of financial position in the surplus / deficit on revaluation of securities account and only recorded through the profit and loss account when realised on disposal.

A decline in the carrying value of unlisted equity securities is charged to the profit and loss account. A subsequent increase in the carrying value, up to the cost of the investment, is credited to the profit and loss account.

Provision for diminution in the value of debt securities is made as per the Prudential Regulations issued by the SBP. Provision against investments by the Bank's overseas branches is made as per the requirements of their respective regulatory regimes.

When a debt security, classified as available-for-sale, is considered to be impaired, the balance in the surplus / deficit on revaluation of securities account is transferred to the profit and loss account as an impairment charge. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the profit and loss account.

When a debt security, classified as held-to-maturity, is considered to be impaired, the impairment is directly charged to the profit and loss account as held-to-maturity securities are carried at amortized cost. Any subsequent reversal of an impairment loss, up to the cost of the investment in the debt security is credited to the profit and loss account.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Provision for diminution in the value of other securities is made after considering objective evidence of impairment.

The Bank considers that a decline in the recoverable value of its investments in subsidiaries, associates and joint ventures below their carrying value may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable amount falls below the carrying value and is charged to the profit and loss account. Any subsequent reversal of an impairment loss, up to the carrying value of the investment in subsidiaries, associates and joint ventures, is credited to the profit and loss account.

4.4 Advances

4.4.1 Advances are stated net of specific and general provisions. Provision against advances by the Bank's branches in Pakistan is made in accordance with the requirements of the Prudential Regulations. Provision against advances by the Bank's overseas branches is made as per the requirements of the respective regulatory regimes in which the overseas branches operate. Advances are written off in line with the Bank's policy when there are no realistic prospects of recovery.

In addition, the Bank expects that several borrowers may be severely impacted by the COVID-19 pandemic. The potential impact of the economic stress is difficult to predict, as many of such borrowers have availed the SBP enabled deferment / restructuring & rescheduling relief. Hence, management feels that it is appropriate to maintain an additional general provision of up to 1% on the domestic, funded performing credit portfolio excluding:

- Government guaranteed exposure
- Consumer and staff lending
- Exposure secured by cash / near cash collateral

This additional provision is based on management's best estimate.

4.4.2 Finance lease receivables

Leases where the Bank transfers a substantial portion of the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the lease payments including any guaranteed residual value. The net investment in finance lease is included in advances.

4.4.3 Islamic financing and related assets

Murabaha financing is a cost plus profit transaction. Funds disbursed for the purchase of goods are recorded as an advance against Murabaha. Once the goods are sold to the customers, the transaction is recorded as financing. Goods purchased by the Bank but remaining unsold are recorded as inventories.

The financing is recorded at the deferred sale price. Profit earned on financing is recognised as unearned income and amortised into the profit and loss account over the term of the Murabaha financing. It is possible for Bank to buy the inventory on a customer's behalf and sell it to the customers on spot basis. In this case, the entire profit is recognised immediately in the profit and loss account.

Under Ijarah financing, the Bank transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight line basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount. The Ijarah rental received / receivable is recognised as income on an accrual basis.

Gains or losses on disposal of Ijarah assets are taken to the profit and loss account in the period in which they arise.

Running Musharakah is the economic equivalent of conventional running finance. The Bank and the customer enter a Musharakah (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre-agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

Under Diminishing Musharakah financing, the Bank and the customer create joint beneficial ownerships over tangible assets to fulfill the customer's capital expenditure / project requirements. The Bank receives periodic payments, partly for renting its portion of the assets to the customer and partly for the gradual transfer / sale of its share of ownership to the customer. The rental payment is recognised as profit while the asset transfer / sale payments are applied towards reducing the outstanding principal.

Under Istisna financing, the Bank gives an advance to customers for manufacturing goods and may allow their sale immediately after the goods are manufactured or allow a pre-agreed time to sell the goods on deferred payment basis as the Bank's agent to a third party. Profit is recognised at the time when the goods are sold to the third party. In case of a deferred sale, the profit is recognised on an accrual basis over the over the period of transaction.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Under *Tijarah* financing, the Bank purchases finished goods from the customer against payment, takes possession and appoints the customer as an agent to sell these goods to the ultimate buyer, generally on a deferred payment basis. Goods purchased by the Bank and sold by the customer on a deferred payment basis are recognised as financing while goods purchased by the Bank but remaining unsold by the customer are recorded as inventories. Profit on the financing is recognised on an accrual basis over the period of transaction.

Wakalah is an agency contract in which the Bank provides funds to a customer to invest in a Shariah compliant manner. This is recorded as financing and profit is recognised on an accrual basis and is adjusted once the customer declares *Wakalah* business performance.

Salam is a sale whereby the Bank undertakes to supply some specific commodity (ies) / asset(s) to the customer at a future date in exchange for an advance price fully paid on spot.

Currency *Salam* is exchange / sale of a currency with another currency at a future date, at conversion rate within the spot range on the day of such contract execution.

Under *Musawamah* financing, the Bank purchases the goods and, after taking possession, sells them to the customer at an agreed price without disclosing the cost incurred by the Bank. Goods purchased by the Bank can either be sold to the customer as a spot transaction or on a deferred payment basis. Goods purchased by the Bank but remaining unsold are recorded as inventories.

4.5 Fixed Assets

Fixed assets are stated at cost, except for land and buildings which are carried at revalued amounts, less any applicable accumulated depreciation and accumulated impairment losses (if any).

Land, capital work-in-progress and works of art are not depreciated. Other items included in fixed assets are depreciated over their expected useful lives using the straight-line method. Depreciation is calculated so as to write down the assets to their residual values over their expected useful lives at the rates specified in note 10.2 to these unconsolidated financial statements. Depreciation on additions is charged from the month in which the assets are available for use. No depreciation is charged in the month in which the assets are disposed off. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Land and buildings are revalued by independent professionally qualified valuers with sufficient regularity to ensure that their net carrying amount does not differ materially from their fair value. If an asset's carrying value increases as a result of revaluation, such increase or surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. However, if the increase reverses a deficit on the same asset previously recognised in the profit and loss account, such increase is also recognised in the profit and loss account to the extent of the previous deficit and thereafter in the surplus on the revaluation of fixed assets account.

Surplus on revaluation of fixed assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the net asset and the net amount restated at the revalued amount of the asset.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred. Major repairs and renovations that increase the useful life of an asset are capitalised.

Gains or losses arising on the disposal of fixed assets are included in the profit and loss account. Surplus on revaluation (net of deferred tax) realised on disposal of fixed assets is transferred directly to unappropriated profit.

4.6 Right-of-use assets and their related lease liability

4.6.1 Right-of-use assets

On initial recognition, right-of-use assets (ROU) are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

ROU assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

ROU assets are depreciated using the straight-line method from the commencement date of the lease contract to the end of the useful life of the ROU asset or the end of the lease term, whichever is earlier. The estimated useful lives of ROU assets are determined on the same basis as that used for owned assets. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

4.6.2 Lease liability against ROU assets

The lease liabilities are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, then at the applicable incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related ROU assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.7 Intangible assets

4.7.1 Intangible assets other than goodwill

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised over their estimated useful lives using the straight-line method. Amortisation is calculated so as to write down the assets to their residual values over their expected useful lives at the rates stated in note 11.1 to these unconsolidated financial statements. Amortisation on additions is charged from the month in which the assets are available for use. No amortisation is charged in the month in which the assets are disposed off. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Intangible assets which arise from contractual or other legal rights on the acquisition of another entity and are deemed separable are considered as part of the net identifiable assets acquired. These are initially measured at fair value. Intangible assets with a finite useful life are amortized over their expected useful lives. Intangible assets having an indefinite useful life are stated at cost less impairment, if any. Such Intangible assets are tested for impairment annually or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of intangible assets is recognised through the profit and loss account. Any subsequent reversal of an impairment loss, up to the extent of the impairment, is credited to the profit and loss account.

4.8 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost and are carried at revalued amounts less accumulated depreciation and impairment, if any. These assets revalued with sufficient regularity by professionally qualified valuers to ensure that their net carrying value does not differ materially from fair value. An increase in market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is adjusted against the surplus of that asset, if any, or if no surplus exists, is charged to the profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the profit and loss account up to the extent of the impairment and thereafter credited to the surplus on revaluation of that asset. All direct costs of acquiring title to the asset are charged immediately to the profit and loss account.

Depreciation on assets acquired in satisfaction of claims is charged to the profit and loss account on the same basis as depreciation charged on the Bank's owned fixed assets.

If the recognition of such assets results in a reduction in non-performing loans, such reductions and the corresponding reductions in provisions held against non-performing loans are disclosed separately.

These assets are generally intended for sale. Gains and losses realized on the sale of such assets are disclosed separately from gains and losses realized on the sale of fixed assets. Surplus on revaluation (net of deferred tax) realized on disposal of these assets is transferred directly to unappropriated profit.

However, if such an asset is subsequently used by the Bank for its own operations, the asset, along with any related surplus (which remains within the surplus), is transferred to fixed assets.

4.9 Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised as an expense on an accrual basis in the period in which it is incurred.

4.10 Subordinated debt

Subordinated debt is recorded at the amount of proceeds received. Mark-up accrued on subordinated debt is charged to the profit and loss account.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

4.11 Acceptances

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. Acceptances are recognised as a financial liability in the statement of financial position with the contractual right of reimbursement from the customer recognised as a financial asset.

4.12 Employee benefits

The Bank operates a number of post-retirement benefit plans, which include both defined contribution plans and defined benefit plans.

For defined contribution plans, the Bank pays contributions to the fund on a periodic basis, and such amounts are charged to the profit and loss account when the payment obligation is established. The Bank has no further payment obligations once the contributions have been paid.

For funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations less the fair value of plan assets as at the statement of financial position date. Contributions to the fund are made by the Bank on a periodic basis.

For non-funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations as at the statement of financial position date.

The liability in respect of all obligations under defined benefit schemes is calculated annually by an independent actuary using the Projected Unit Credit Method.

Actuarial gains and losses

Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the profit and loss account. Gains and losses on remeasurement of the liability for compensated absences are recognised in the profit and loss account.

Past Service Cost

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment. The Bank recognises past service cost as an expense when the plan is amended.

Current Service Cost

Service costs and net interest on defined benefit liability / asset are recognised in the profit and loss account.

4.13 Foreign currency

4.13.1 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into rupees at the rates of exchange prevailing on the date of the statement of financial position. Forward transactions in foreign currencies and foreign bills purchased are translated at forward foreign exchange rates applicable to their respective maturities.

4.13.2 Foreign operations

The assets and liabilities of foreign operations are translated to Pakistani rupees at exchange rates prevailing at the date of the statement of financial position. The income and expenses of foreign operations are translated to Pakistani Rupees at average rates of exchange prevailing during the year.

4.13.3 Translation gains and losses

Gains and losses arising from foreign currency translations are taken to the profit and loss account, except those arising from the translation of the net investment in foreign branches, associates, joint ventures and subsidiaries, which are recognized through the statement of other comprehensive income as an Exchange Translation Reserve (ETR). Balances in the ETR are only taken to the profit and loss account on the disposal of the investment.

4.13.4 Contingencies and Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of statement of financial position.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

4.14 Income recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Bank and the revenue can be reliably measured.

4.14.1 Advances and investments

Income on performing advances and debt securities is recognised on a time proportion basis as per the terms of the contract. Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining maturity of the debt security or the next repricing date using the effective yield method.

Income recoverable on classified advances and investments is recognised on a receipt basis. Income on rescheduled / restructured advances and investments is recognised as permitted by the SBP regulations or by the regulatory authorities of the countries where the Bank operates.

4.14.2 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

4.14.3 Fee, Commission and Brokerage Income

Fee, Commission and Brokerage income is recognised on an accrual basis.

4.14.4 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

4.15 Taxation

Income tax expense comprises of the charge for current and prior years and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity.

4.15.1 Current

The charge for current taxation is calculated on taxable income earned during the year from local as well as foreign operations using tax rates enacted as at the date of the statement of financial position.

4.15.2 Prior years

The charge for prior years represents adjustments to the tax charge for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to law, made during the current year.

4.15.3 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deductible temporary differences (deferred tax assets) are temporary differences that are deductible from the taxable income of future periods when the carrying amount of the asset or liability is recovered or settled.

Taxable temporary differences (deferred tax liabilities) are temporary differences that will result in a tax liability in future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax is calculated at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The Bank also records a deferred tax asset / liability on items recognised directly in the statement of other comprehensive income such as surplus / deficit on revaluation of assets and actuarial gains / losses. These items are disclosed net of related deferred tax asset / liability.

Deferred tax assets are reviewed annually for impairment. Where objective evidence exists that the carrying value of a deferred tax asset may not be recoverable, the deferred tax asset is reduced to its recoverable value. The difference between the carrying value and the recoverable value is recognised through the profit and loss account as a deferred tax expense.

4.16 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised through the profit and loss account whenever the recoverable amount of an asset is lower than its carrying amount.

A subsequent increase in the recoverable value of the asset results in a reversal of the impairment loss through the profit and loss account, up to the original carrying value of the asset, if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.17 Provisions

Provisions are recognised when the Bank has present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision for off balance sheet obligations is recognised when intimated and reasonable certainty exists that the Bank will settle the obligation. The charge to the profit and loss account is stated net of expected recoveries and the obligation is recognised in other liabilities.

Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.18 Contingent Liabilities

Contingent liabilities are not recognised in the statement of financial position as they are possible obligations where it has yet to be confirmed whether a liability, which will ultimately result in an outflow of economic resources to settle the obligation, will arise. In cases where the probability of an outflow of economic resources is considered remote, it is not disclosed as a contingent liability.

4.19 Off setting

Financial assets and financial liabilities are set-off and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set-off and the Bank intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.20 Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain other receivables, bills payable, borrowings, deposits, subordinated debt and certain payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the relevant policy notes.

4.21 Derivative Financial Instruments

Derivative financial assets and liabilities are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair value using appropriate valuation techniques. Derivative financial instruments are carried as an asset when the fair value is positive and as a liability when the fair value is negative. Any change in the fair value of derivative financial instruments is taken directly to the profit and loss account.

4.22 Dividends and appropriation to reserves

Dividends and appropriations to reserves, except where required by law, which are approved subsequent to the date of the statement of financial position are recognised in the year in which these are approved and disclosed as a non-adjusting event after balance sheet date.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

4.23 Earnings per share

The Bank presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is not calculated separately, as the Bank does not have any convertible instruments in issue.

4.24 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing unique products or services (business segment), or in providing products or services within a particular geographic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4.24.1 Business segments

The Bank is managed along the following business lines for monitoring and reporting purposes:

i) *Branch banking*

This segment pertains to the branch distribution network, its related deposit products and general banking services.

ii) *Consumer, SME and rural banking*

This segment pertains to loan products offered to the Consumer, SME and Rural business segments.

iii) *Islamic banking*

This segment pertains to all business lines of the Islamic banking network and includes all Islamic products offered by the bank.

iv) *Corporate, commercial and investment banking*

This segment provides a wide variety of financial products and services to top and medium tier clients, across a wide spectrum of industrial sectors.

v) *International and correspondent banking*

This segment includes the results of all international branches, correspondent banking business and global remittances.

vi) *Treasury*

This segment includes all treasury related products such as money market, FX and derivatives.

vii) *Head Office / Others*

This segment includes numbers related to HBL Konnect, Head office functions.

4.24.2 Geographical segments

The Bank is managed along the following geographic lines for monitoring and reporting purposes:

i) *Pakistan (including KEPZ)*

This includes the domestic operations and HBL's KEPZ branch.

ii) *Middle East and Africa*

This includes UAE, Bahrain, Oman, Lebanon and Mauritius.

iii) *Asia*

This includes Afghanistan, Bangladesh, China, Maldives, Singapore and Sri Lanka.

iv) *Europe*

This includes Belgium and Turkey

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

5 CASH AND BALANCES WITH TREASURY BANKS

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
In hand			
Local currency		46,849,289	39,840,558
Foreign currencies		5,167,639	15,979,300
		<u>52,016,928</u>	<u>55,819,858</u>
With State Bank of Pakistan in			
Local currency current accounts	5.1	143,740,748	128,439,933
Local currency special deposit account	5.2	2,531,227	-
Foreign currency current accounts	5.3	8,637,953	6,788,327
Foreign currency deposit accounts	5.4	18,104,962	13,768,677
		<u>173,014,890</u>	<u>148,996,937</u>
With other Central Banks in			
Foreign currency current accounts	5.5	34,242,436	25,437,714
Foreign currency deposit accounts	5.6	12,755,756	11,120,595
		<u>46,998,192</u>	<u>36,558,309</u>
With National Bank of Pakistan in local currency current accounts		137,197,419	104,866,634
National Prize Bonds		301,451	1,747,011
		<u>409,528,880</u>	<u>347,988,749</u>

- 5.1 These represent local currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.2 This represents a local currency deposit account required to be maintained with the SBP under the Government's scheme for Low Cost Housing Finance. This carries mark-up at a rate of 0.00% and is due to mature latest by December 29, 2022.
- 5.3 These represent foreign currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.4 These represent foreign currency deposit accounts maintained under the Special Cash Reserve Requirement of the SBP and foreign currency settlement accounts maintained with the SBP. These carry mark-up at a rate of 0.00% per annum (2020: 0.00% to 0.76% per annum).
- 5.5 These represent balances held with the central banks of the countries in which the Bank operates, in accordance with local regulatory requirements. These include balances in remunerative current accounts amounting to Rs 368.751 million (2020: Rs 341.744 million), which carry mark-up at rates ranging from 0.08% to 0.32% per annum (2020: 0.01% to 0.19% per annum).
- 5.6 These represent balances held with the central banks of the countries in which the Bank operates, in accordance with local regulatory requirements. These carry mark-up at rates ranging from 0.00% to 9.50% per annum (2020: 0.00% to 12.00% per annum).

6 BALANCES WITH OTHER BANKS

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
In Pakistan			
In current accounts		65	1,977,022
Outside Pakistan			
In current accounts	6.1	25,295,629	25,349,080
In deposit accounts	6.2	6,880,494	11,096,617
		<u>32,176,123</u>	<u>36,445,697</u>
		<u>32,176,188</u>	<u>38,422,719</u>

- 6.1 This includes an amount of Rs 1,937.318 million (2020: nil) in remunerative current accounts which carry mark-up at rates ranging from 0.01% to 1.20% per annum.
- 6.2 These carry mark-up at rates ranging from 0.00% to 18.50% per annum (2020: 0.05% to 17.30% per annum).

7 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Call money lendings	7.2	24,600,000	-
Repurchase agreement lendings (reverse repo)	7.3	64,970,746	24,896,835
Bai Muajjal receivable with :			
- State Bank of Pakistan		-	5,257,358
- Other Financial Institutions	7.4	4,171,686	-
		<u>93,742,432</u>	<u>30,154,193</u>

- 7.1 Lendings to financial institutions are all in local currency.
- 7.2 Call money lendings carry mark-up at rates ranging from 9.40% to 10.30% per annum and are due to mature latest by February 18, 2022.
- 7.3 Repurchase agreement lendings carry mark-up at rates ranging from 9.50% to 10.65% per annum (2020: 6.95% to 7.30% per annum) and are due to mature latest by March 04, 2022.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**7.3.1 Securities held as collateral against
lendings to financial institutions**

	2021			2020		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	(Rupees in '000)					
Market Treasury Bills	17,766,592	-	17,766,592	3,959,681	-	3,959,681
Pakistan Investment Bonds	47,204,154	-	47,204,154	20,937,154	-	20,937,154
	64,970,746	-	64,970,746	24,896,835	-	24,896,835

7.3.2 The market value of securities held as collateral against repurchase agreement lendings amounted to Rs 64,982.010 million (2020: Rs 25,026.011 million).

7.4 Bai Muajjal receivables with other financial institutions carry profit at 7.35% per annum and are due to mature latest by January 28, 2022.

8 INVESTMENTS

Note

		2021				2020			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
		(Rupees in '000)							
8.1 Investments by type									
Held-for-trading (HFT) securities									
Federal Government securities									
- Market Treasury Bills	8.3	111,463,172	-	(31,502)	111,431,670	105,072,858	-	(13,636)	105,059,222
- Pakistan Investment Bonds		92,201,740	-	110,414	92,312,154	25,655,331	-	19,066	25,674,397
Shares									
- Listed companies		332,860	-	(24,270)	308,590	137,682	-	8,542	146,224
Foreign securities									
- Government debt securities		316,867	-	12,619	329,486	102,884	-	23,578	126,462
		204,314,639	-	67,261	204,381,900	130,968,755	-	37,550	131,006,305
Available-for-sale (AFS) securities									
Federal Government securities									
- Market Treasury Bills	8.3 & 8.6	274,430,197	-	121,938	274,552,135	514,554,259	-	1,445,967	516,000,226
- Pakistan Investment Bonds	8.3	801,894,166	-	(4,790,129)	797,104,037	782,920,795	-	10,650,864	793,571,659
- Ijarah Sukuks		119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
- Government of Pakistan US Dollar Bonds		15,473,165	(347,350)	458,144	15,583,959	9,799,054	(392,763)	629,559	10,035,850
- Government of Pakistan US Dollar Sukuks		-	-	-	-	549,457	(20,567)	43,822	572,712
- Other Federal Government securities		1,016,120	-	-	1,016,120	530,538	-	-	530,538
Shares									
- Listed companies		8,170,830	(1,962,154)	427,255	6,635,931	7,975,054	(2,983,143)	846,869	5,838,780
- Unlisted companies		5,372,623	(91,009)	-	5,281,614	4,899,328	(87,125)	-	4,812,203
Non-Government debt securities									
- Listed		51,499,951	(78,236)	638,300	52,060,015	46,943,545	-	321,860	47,265,405
- Unlisted		1,648,381	(247,381)	24,000	1,425,000	1,671,878	(270,877)	22,500	1,423,501
Foreign securities									
- Government debt securities		58,024,162	(288,791)	112,561	57,847,932	40,682,649	(565,331)	(24,325)	40,092,993
- Non-Government debt securities - Listed		6,958,115	(37,019)	70,385	6,991,481	3,520,736	(48,750)	81,717	3,553,703
- Equity securities - Unlisted		6,318	(156)	-	6,162	5,913	(321)	-	5,592
National Investment Unit Trust units		11,113	-	35,335	46,448	11,113	-	35,726	46,839
Real Estate Investment Trust units		55,000	-	5,800	60,800	55,000	-	(2,000)	53,000
Preference shares									
- Listed		744,400	-	80,500	824,900	744,400	-	155,400	899,800
- Unlisted		176,985	(150,075)	-	26,910	-	-	-	-
		1,345,099,493	(3,202,171)	(3,353,052)	1,338,544,270	1,482,542,314	(4,368,877)	13,885,314	1,492,058,751
Held-to-maturity (HTM) securities	8.7								
Federal Government securities									
- Pakistan Investment Bonds	8.3, 8.4 & 8.5	285,512,630	-	-	285,512,630	216,669,214	-	-	216,669,214
- Other Federal Government securities		10,794,000	-	-	10,794,000	10,794,000	-	-	10,794,000
Non-Government debt securities									
- Listed		2,365,422	-	-	2,365,422	4,277,922	-	-	4,277,922
- Unlisted		18,348,917	-	-	18,348,917	16,209,049	-	-	16,209,049
Foreign securities									
- Government debt securities		14,672,889	-	-	14,672,889	13,617,545	(13)	-	13,617,532
- Non-Government debt securities									
- Listed		285,954	(25,061)	-	260,893	397,139	(14,650)	-	382,489
- Unlisted		616,100	(1,559)	-	614,541	312,842	(1,516)	-	311,326
		332,595,912	(26,620)	-	332,569,292	262,277,711	(16,179)	-	262,261,532
Investment in associates and joint venture	8.7	9,601,431	-	-	9,601,431	9,296,779	-	-	9,296,779
Investment in subsidiary companies	8.8	20,091,764	-	-	20,091,764	17,614,626	-	-	17,614,626
Total Investments		1,911,703,239	(3,228,791)	(3,285,791)	1,905,188,657	1,902,700,185	(4,385,056)	13,922,864	1,912,237,993

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021				2020			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
		(Rupees in '000)							
8.2 Investments by segments									
Federal Government securities									
Market Treasury Bills		385,893,369	-	90,436	385,983,805	619,627,117	-	1,432,331	621,059,448
Pakistan Investment Bonds		1,179,608,536	-	(4,679,715)	1,174,928,821	1,025,245,340	-	10,669,930	1,035,915,270
Ijarah Sukuks		119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
Government of Pakistan US Dollar Bonds		15,473,165	(347,350)	458,144	15,583,959	9,799,054	(392,763)	629,559	10,035,850
Government of Pakistan US Dollar Sukuks		-	-	-	-	549,457	(20,567)	43,822	572,712
Other Federal Government securities		11,810,120	-	-	11,810,120	11,324,538	-	-	11,324,538
		1,712,403,157	(347,350)	(4,668,276)	1,707,387,531	1,734,224,101	(413,330)	12,452,997	1,746,263,768
Shares									
Listed companies		8,503,690	(1,962,154)	402,985	6,944,521	8,112,736	(2,983,143)	855,411	5,985,004
Unlisted companies		5,372,623	(91,009)	-	5,281,614	4,899,328	(87,125)	-	4,812,203
		13,876,313	(2,053,163)	402,985	12,226,135	13,012,064	(3,070,268)	855,411	10,797,207
Non-Government debt securities									
Listed		53,865,373	(78,236)	638,300	54,425,437	51,221,467	-	321,860	51,543,327
Unlisted		19,997,298	(247,381)	24,000	19,773,917	17,880,927	(270,877)	22,500	17,632,550
		73,862,671	(325,617)	662,300	74,199,354	69,102,394	(270,877)	344,360	69,175,877
Foreign securities									
Government debt securities		73,013,918	(288,791)	125,180	72,850,307	54,403,078	(565,344)	(747)	53,836,987
Non-Government debt securities									
- Listed		7,244,069	(62,080)	70,385	7,252,374	3,917,875	(63,400)	81,717	3,936,192
- Unlisted		616,100	(1,559)	-	614,541	312,842	(1,516)	-	311,326
Equity securities-Unlisted		6,318	(156)	-	6,162	5,913	(321)	-	5,592
		80,880,405	(352,586)	195,565	80,723,384	58,639,708	(630,581)	80,970	58,090,097
National Investment Unit Trust units		11,113	-	35,335	46,448	11,113	-	35,726	46,839
Real Estate Investment Trust units		55,000	-	5,800	60,800	55,000	-	(2,000)	53,000
Preference shares									
- Listed		744,400	-	80,500	824,900	744,400	-	155,400	899,800
- Unlisted		176,985	(150,075)	-	26,910	-	-	-	-
Investment in associates and joint venture									
Diamond Trust Bank Kenya, Limited		3,999,244	-	-	3,999,244	3,999,244	-	-	3,999,244
Himalayan Bank Limited, Nepal		135,665	-	-	135,665	135,665	-	-	135,665
Kyrgyz Investment and Credit Bank, Kyrgyz Republic		256,231	-	-	256,231	256,231	-	-	256,231
Jubilee General Insurance Company Limited		2,006,142	-	-	2,006,142	2,006,142	-	-	2,006,142
Jubilee Life Insurance Company Limited		677,739	-	-	677,739	677,739	-	-	677,739
HBL Energy Fund		279,125	-	-	279,125	279,125	-	-	279,125
HBL Income Fund		143,753	-	-	143,753	143,753	-	-	143,753
HBL Investment Fund Class A		302,886	-	-	302,886	302,886	-	-	302,886
HBL Investment Fund Class B		334,501	-	-	334,501	334,501	-	-	334,501
HBL Islamic Asset Allocation Fund		136,223	-	-	136,223	136,223	-	-	136,223
HBL Islamic Money Market Fund		-	-	-	-	88,398	-	-	88,398
HBL Islamic Pension Fund- Equity Sub Fund		12,833	-	-	12,833	12,833	-	-	12,833
HBL Islamic Stock Fund		121,179	-	-	121,179	121,179	-	-	121,179
HBL Money Market Fund		386,436	-	-	386,436	386,436	-	-	386,436
HBL Multi Asset Fund		32,366	-	-	32,366	32,366	-	-	32,366
HBL Pension Fund- Equity Sub Fund		20,308	-	-	20,308	20,308	-	-	20,308
HBL Stock Fund		106,800	-	-	106,800	363,750	-	-	363,750
HBL Equity Fund		650,000	-	-	650,000	-	-	-	-
		9,601,431	-	-	9,601,431	9,296,779	-	-	9,296,779
Investment in subsidiary companies									
Habib Allied Holding Limited	8.8	15,059,264	-	-	15,059,264	14,558,890	-	-	14,558,890
Habib Finance International Limited, Hong Kong		-	-	-	-	23,236	-	-	23,236
Habib Bank Financial Services (Private) Limited		32,500	-	-	32,500	32,500	-	-	32,500
HBL Currency Exchange (Private) Limited		400,000	-	-	400,000	400,000	-	-	400,000
HBL Asset Management Limited		600,000	-	-	600,000	600,000	-	-	600,000
HBL Microfinance Bank Limited		4,000,000	-	-	4,000,000	2,000,000	-	-	2,000,000
		20,091,764	-	-	20,091,764	17,614,626	-	-	17,614,626
Total Investments		1,911,703,239	(3,228,791)	(3,285,791)	1,905,188,657	1,902,700,185	(4,385,056)	13,922,864	1,912,237,993

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020
	(Rupees in '000)	
8.2.1 Investments given as collateral		
The market value of investments given as collateral against borrowings is as follows:		
Federal Government securities		
- Market Treasury Bills	980,924	113,807,278
- Pakistan Investment Bonds	139,564,697	207,400,499
	<u>140,545,621</u>	<u>321,207,777</u>

8.3 Investments include securities amounting to Rs 447,617.323 million (2020: Rs 405,618.042 million) which are held to comply with the SBP's statutory liquidity requirements as set out under section 29 of the Banking Companies Ordinance, 1962.

8.4 Investments include Rs 227.500 million (2020: Rs 227.500 million) pledged with the SBP against TT/DD discounting facilities and demand loan facilities.

8.5 Investments include Rs 10.000 million (2020: Rs 10.000 million) pledged with the Controller of Military Accounts against Regimental Fund Accounts being maintained at various branches of the Bank.

8.6 Investments include Rs 200.000 million (2020:nil) pledged with National Clearing Company of Pakistan against trading margin.

8.7 The market value of investments classified as held-to-maturity and investment in listed associates and joint venture is as follows:

	2021		2020	
	Book value	Market value	Book value	Market value
	(Rupees in '000)			
- Investment classified as held-to-maturity	332,569,292	317,744,030	262,261,532	264,661,267
- Investment in listed associates and joint venture	9,345,200	27,584,028	9,040,549	31,042,377

8.8 This includes investment in the Variable Rate Subordinated Loan Notes issued by HBL Bank UK, a subsidiary company, amounting to Rs 3.001 billion equivalent US \$ 17 million (2020: Rs 3.197 billion equivalent US \$ 20 million). These notes are perpetual and are repayable at the option of the subsidiary after five years have passed from the date of issuance. During the year US \$ 3 million has been repaid after taking approvals from the Prudential Authority (PRA) whose approval is required prior to repayment. Interest is payable on a six monthly basis at 6 month LIBOR+4% (2020: 6 month LIBOR+4%).

The Bank also has an investment in Additional Tier 1 instrument of the subsidiary amounting to Rs 2.294 billion equivalent US \$13 million (2020: Rs 1.598 billion equivalent US \$ 10 million). These notes are perpetual and are repayable at option of the subsidiary after five years have passed from the date of issuance. The Prudential Authority (PRA) approval is required prior to repayment. Interest is payable on a six monthly basis at 6 month LIBOR+4.75% (2020: 6 months LIBOR+4.75%). During the period the subsidiary has issued the Additional Tier 1 instrument amounting to Rs 0.530 million equivalent US \$ 3 million.

The Additional Tier 1 interest is required to be paid from distributable reserve of the subsidiary, however if on any date when a payment of interest would otherwise be due and the subsidiary has insufficient profits, payment of such interest shall be delayed until such time the subsidiary has sufficient profits.

	2021	2020
	(Rupees in '000)	
8.9 Particulars of provision held against diminution in the value of investments		
Opening balance	4,385,056	4,905,784
Exchange adjustments	74,724	12,357
(Reversal) / charge		
Charge for the year	512,131	1,176,274
Reversal for the year	(424,963)	(15,066)
Reversal on disposal during the year	(1,318,157)	(1,694,293)
Net reversal	(1,230,989)	(533,085)
Closing balance	<u>3,228,791</u>	<u>4,385,056</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

8.9.1 Particulars of provision against debt securities

Category of classification	2021		2020	
	Non-Performing Investment	Provision	Non-Performing Investment	Provision
	(Rupees in '000)			
Domestic				
Loss	247,381	247,381	270,877	270,877

8.9.1.1 In addition to the above, overseas branches hold a provision of Rs 778.017 million (2020: Rs 1,043.590 million) against investment in accordance with the ECL requirements of IFRS 9.

8.10 Quality of available-for-sale securities

Details regarding the quality of AFS securities are as follows:

Federal Government securities - Government guaranteed

	2021 Cost / amortised cost (Rupees in '000)	2020 Cost / amortised cost (Rupees in '000)
Market Treasury Bills	274,430,197	514,554,259
Pakistan Investment Bonds	801,894,166	782,920,795
Ijarah Sukuks	119,617,967	67,678,595
Government of Pakistan US Dollar Bonds	15,473,165	9,799,054
Government of Pakistan US Dollar Sukuks	-	549,457
Other Federal Government securities - Islamic Naya Pakistan Certificates	1,016,120	530,538
	<u>1,212,431,615</u>	<u>1,376,032,698</u>

Shares

Listed companies

	2021 Cost (Rupees in '000)	2020 Cost (Rupees in '000)
Automobile Assembler	394,154	191,695
Automobile Parts and Accessories	85,167	21,569
Cement	516,871	503,103
Chemicals	264,588	247,328
Commercial Banks	1,498,440	796,397
Engineering	225,164	5,162
Fertilizer	1,259,527	1,128,380
Food and Personal Care Products	45,306	-
Insurance	88,601	138,635
Investment Banks / Investment Companies / Securities Companies	1,122,315	1,122,067
Oil and Gas Exploration Companies	864,273	538,717
Oil and Gas Marketing Companies	279,329	334,450
Pharmaceuticals	158,935	182,117
Power Generation and Distribution	741,212	2,217,903
Technology and Communication	46,026	133,405
Textile Composite	420,279	414,126
Transport	38,127	-
Miscellaneous	122,516	-
	<u>8,170,830</u>	<u>7,975,054</u>

Unlisted companies

	2021		2020	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
Central Depository Company of Pakistan Limited	256,347	774,341	256,347	741,556
Engro Powergen Thar (Private) Limited	2,086,591	5,880,911	2,086,591	3,158,884
Sindh Engro Coal Mining Company Limited	2,267,346	4,553,223	1,888,274	2,865,390
Pakistan Mortgage Refinance Company Limited	500,000	879,382	500,000	810,616
First Women Bank Limited	63,300	203,928	63,300	203,928
SME Bank Limited	13,474	(31,898)	13,474	(9,778)
National Institutional Facilitation Technologies (Private) Limited	1,527	61,903	1,527	51,998
National Investment Trust Limited	100	1,003,283	100	857,153
Pak Agriculture Storage and Services Corporation Limited	5,500	3,448,615	5,500	2,725,903
Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T)	3,152	34,534	4,929	48,385
Naymat Collateral Management Company Limited	29,286	21,021	29,286	25,491
1 LINK (Private) Limited	50,000	312,706	50,000	165,767
Pakistan Credit Restructuring Company Limited	96,000	90,048	-	-
	<u>5,372,623</u>	<u>17,231,997</u>	<u>4,899,328</u>	<u>11,645,293</u>

8.10.1 The breakup value of unlisted companies is calculated using latest the available financial statements as described in note 4.3.2.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Non-Government debt securities

	Note	2021 Cost / amortised cost (Rupees in '000)	2020 Cost / amortised cost (Rupees in '000)
Listed			
AA+, AA, AA-		46,450,000	6,450,000
A+, A, A-		493,545	493,545
B+, B, B-		3,556,406	-
Unrated		1,000,000	40,000,000
	8.10.2	51,499,951	46,943,545
Unlisted			
AAA		351,000	-
AA+, AA, AA-		1,050,000	1,401,001
Unrated		247,381	270,877
		1,648,381	1,671,878
		53,148,332	48,615,423

8.10.2 This includes listed non-Government debt securities amounting to Rs 41 billion (2020: 40 billion) guaranteed by the Government.

Foreign securities

	2021		2020	
	Cost / amortised cost (Rupees in '000)	Rating	Cost / amortised cost (Rupees in '000)	Rating
Government debt securities				
Bahrain	9,434,568	B2	6,230,488	B2
Maldives	19,491,121	B+ , CCC+ and below	12,747,974	B+ , B3
Mauritius	4,070,087	Baa1	5,129,373	Baa1
Oman	6,178,091	Ba3 , BB-	3,261,693	Ba3 , BB-
Singapore	3,135,166	AAA	2,298,258	Aaa
Srilanka	6,026,660	CCC+ and below	6,124,854	CCC+ and below
Kenya	1,844,430	B2	1,245,335	B2
South Africa	584,325	Ba2		
Egypt	3,415,770	B+ , B2	2,781,513	B2
Turkey	-	-	863,161	B2
United Arab Emirates	3,843,944	Aa2 , B2		
	<u>58,024,162</u>		<u>40,682,649</u>	

	2021 Cost / amortised cost (Rupees in '000)	2020 Cost / amortised cost (Rupees in '000)
Non-Government debt securities		
Listed		
BBB+, BBB, BBB-	2,826,213	692,859
BB+, BB, BB-	2,777,709	2,022,783
B+, B, B-	1,354,193	805,094
	<u>6,958,115</u>	<u>3,520,736</u>

Equity securities - Unlisted

	2021		2020	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
The Benefit Company, Bahrain	3,746	26,447	3,392	23,661
Credit Information Bureau, Sri Lanka	70	14,687	69	14,387
LankaClear (Private) Limited, Sri Lanka	437	8,860	429	644
SME Equity Fund Limited, Mauritius	2,065	1,909	2,023	1,703
	<u>6,318</u>	<u>51,903</u>	<u>5,913</u>	<u>40,395</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

		2021	2020
		Cost	
		(Rupees in '000)	
National Investment Unit Trust units - Listed		11,113	11,113
Real Estate Investment Trust units - Listed		55,000	55,000
Preference shares - Listed			
Chemicals		700,000	700,000
Textile Composite		44,400	44,400
		744,400	744,400
		2021	2020
		Cost	Breakup value
		(Rupees in '000)	
Preference shares - Unlisted			
Finja Inc		176,985	26,910
		-	-
		2021	2020
		Cost / amortised cost	
		(Rupees in '000)	
Federal Government securities - Government guaranteed			
Pakistan Investment Bonds		285,512,630	216,669,214
Other Federal Government securities - Bai Muajjal with Government of Pakistan		10,794,000	10,794,000
		296,306,630	227,463,214
Non-Government debt securities			
Listed			
AAA		1,000,000	-
AA+, AA, AA-		881,636	2,098,083
A+, A, A-		483,786	2,179,839
		2,365,422	4,277,922
Unlisted			
AAA		14,367,227	9,944,438
AA+, AA, AA-		149,790	149,850
A+, A, A-		1,075,000	1,284,081
Unrated		2,756,900	4,830,680
		18,348,917	16,209,049
Foreign securities		2021	2020
		Cost /	Cost /
		amortised cost	amortised cost
		Rating	Rating
		(Rupees in '000)	(Rupees in '000)
Government debt securities			
Bahrain		942,978	B2
Bangladesh		9,201,113	Ba3
Oman		2,464,286	BB-
Sri Lanka		2,064,512	CCC+ and below
		14,672,889	13,617,545
Non-Government debt securities			
		2021	2020
		Cost / amortised cost	
		(Rupees in '000)	
Listed			
Unrated		285,954	397,139
		285,954	397,139
Unlisted			
A+, A, A-		616,100	312,842
		616,100	312,842

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

8.12 Summary of financial information of associates, joint venture and subsidiaries

				2021				
	Based on the annual / interim financial statements as on	Country of Incorporation	Percentage of Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total comprehen- sive income / (loss)
(Rupees in '000)								
Diamond Trust Bank Kenya, Limited	September 30, 2021	Kenya	16.15%	678,549,291	562,179,237	57,206,890	6,017,880	7,526,089
Himalayan Bank Limited	October 17, 2021	Nepal	20.00%	283,389,638	251,046,954	17,475,451	4,427,888	4,481,822
Kyrgyz Investment and Credit Bank	December 31, 2021	Kyrgyzstan	18.00%	78,046,080	65,156,266	5,286,272	577,934	577,934
Jubilee General Insurance Company Limited	September 30, 2021	Pakistan	19.80%	26,220,342	17,095,863	7,232,221	1,690,914	1,314,157
Jubilee Life Insurance Company Limited	September 30, 2021	Pakistan	18.52%	189,325,733	176,813,548	91,328,256	2,134,247	2,035,682
HBL Energy Fund	December 31, 2021	Pakistan	33.74%	629,815	24,173	(44,284)	(72,031)	(72,031)
HBL Equity Fund	December 31, 2021	Pakistan	34.73%	1,692,510	119,341	(282,179)	(357,896)	(357,896)
HBL Income Fund	December 31, 2021	Pakistan	6.09%	3,868,048	39,870	301,615	263,243	263,243
HBL Islamic Asset Allocation Fund	December 31, 2021	Pakistan	41.09%	373,545	3,134	19,737	12,564	12,564
HBL Islamic Money Market Fund	December 31, 2021	Pakistan	0.00%	8,760,181	20,030	605,341	585,012	585,012
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	30.26%	180,706	1,459	(5,294)	(9,974)	(9,974)
HBL Islamic Stock Fund	December 31, 2021	Pakistan	42.55%	659,403	19,134	(38,985)	(66,014)	(66,014)
HBL Money Market Fund	December 31, 2021	Pakistan	2.54%	21,794,347	4,427,380	1,035,022	1,005,047	1,005,047
HBL Multi Asset Fund	December 31, 2021	Pakistan	44.34%	206,605	7,768	3,640	756	756
HBL Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	39.28%	197,817	1,180	(8,009)	(13,415)	(13,415)
HBL Stock Fund	December 31, 2021	Pakistan	46.23%	575,694	51,369	(12,722)	(38,655)	(38,655)
HBL Investment Fund Class A	December 31, 2021	Pakistan	17.13%	2,119,110	5,105	174,306	113,028	276,157
HBL Investment Fund Class B	December 31, 2021	Pakistan	36.81%	1,307,720	152,089	(55,577)	(88,749)	(88,749)
Habib Allied Holding Limited	December 31, 2021	United Kingdom	90.50%	134,319,126	123,939,981	3,669,483	(1,523,950)	(1,628,592)
Habib Bank Financial Services (Private) Limited	December 31, 2021	Pakistan	100.00%	48,069	52,106	2,834	(4,037)	(4,037)
HBL Currency Exchange (Private) Limited	December 31, 2021	Pakistan	100.00%	2,255,739	170,270	222,543	364,215	364,215
HBL Asset Management Limited	December 31, 2021	Pakistan	100.00%	2,955,692	3,047,104	569,809	(91,412)	(91,412)
HBL Microfinance Bank Limited	December 31, 2021	Pakistan	71.43%	110,020,563	99,937,227	16,626,066	1,556,248	1,414,609
2020								
	Based on the annual / interim financial statements as on	Country of Incorporation	Percentage of Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total comprehen- sive income / (loss)
(Rupees in '000)								
Diamond Trust Bank Kenya, Limited	September 30, 2020	Kenya	16.15%	577,158,999	475,952,921	58,448,347	8,341,208	8,493,901
Himalayan Bank Limited	October 16, 2020	Nepal	20.00%	222,658,643	196,545,825	18,479,419	3,037,726	3,080,635
Kyrgyz Investment and Credit Bank	December 31, 2020	Kyrgyzstan	18.00%	66,376,927	55,272,117	5,617,052	833,183	833,183
Jubilee General Insurance Company Limited	September 30, 2020	Pakistan	19.80%	26,220,342	17,095,863	7,414,086	1,659,669	2,083,273
Jubilee Life Insurance Company Limited	September 30, 2020	Pakistan	18.52%	184,379,051	172,462,696	75,021,278	2,631,376	2,689,081
HBL Energy Fund	December 31, 2020	Pakistan	30.71%	785,786	56,637	(80,123)	(112,630)	(112,630)
HBL Income Fund	December 31, 2020	Pakistan	8.98%	2,571,148	70,075	214,808	172,522	172,522
HBL Islamic Asset Allocation Fund	December 31, 2020	Pakistan	41.38%	388,749	9,981	26,101	12,063	12,063
HBL Islamic Money Market Fund	December 31, 2020	Pakistan	1.80%	7,130,081	29,338	478,626	434,701	434,701
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2020	Pakistan	35.04%	163,667	4,438	17,672	13,883	13,883
HBL Islamic Stock Fund	December 31, 2020	Pakistan	38.96%	796,529	33,097	46,454	17,299	17,299
HBL Money Market Fund	December 31, 2020	Pakistan	2.56%	17,122,226	116,747	1,055,019	946,815	946,815
HBL Multi Asset Fund	December 31, 2020	Pakistan	44.74%	213,213	13,037	14,284	6,500	6,500
HBL Pension Fund - Equity Sub Fund	December 31, 2020	Pakistan	38.00%	217,738	3,930	18,056	12,062	12,062
HBL Stock Fund	December 31, 2020	Pakistan	41.15%	2,304,226	126,190	(2,747)	(90,621)	(90,621)
HBL Investment Fund Class A	December 31, 2020	Pakistan	17.13%	2,385,054	18,853	13,653	(68,621)	94,508
HBL Investment Fund Class B	December 31, 2020	Pakistan	33.71%	1,560,869	198,738	20,031	(34,839)	(34,839)
Habib Allied Holding Limited	December 31, 2020	United Kingdom	90.50%	122,002,854	110,884,093	3,212,965	(2,797,989)	(2,981,792)
Habib Finance International Limited	December 31, 2020	Hong Kong	100.00%	36,736	-	204	(16,197)	(16,197)
Habib Bank Financial Services (Private) Limited	December 31, 2020	Pakistan	100.00%	52,111	54,782	4,423	(2,671)	(2,671)
HBL Currency Exchange (Private) Limited	December 31, 2020	Pakistan	100.00%	1,854,684	133,431	593,289	180,337	180,337
HBL Asset Management Limited	December 31, 2020	Pakistan	100.00%	3,417,545	3,408,614	610,484	9,243	9,243
HBL Microfinance Bank Limited	December 31, 2020	Pakistan	50.51%	75,950,178	69,270,525	12,279,939	581,054	604,750

8.12.1 The Bank has significant influence in Diamond Trust Bank Kenya Limited, Kyrgyz Investment and Credit Bank, Jubilee General Insurance Company Limited and Jubilee Life Insurance Company Limited because of Parent's holding in these entities.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

9	ADVANCES	Note	Performing		Non - performing		Total	
			2021	2020	2021	2020	2021	2020
			(Rupees in '000)					
	Loans, cash credits, running finances, etc.	9.1	1,125,717,507	915,997,978	68,226,061	70,107,569	1,193,943,568	986,105,547
	Islamic financing and related assets	9.2	166,754,863	154,081,348	337,317	337,107	167,092,180	154,418,455
	Bills discounted and purchased		96,563,328	48,357,231	5,606,279	5,005,929	102,169,607	53,363,160
	Advances - gross		1,389,035,698	1,118,436,557	74,169,657	75,450,605	1,463,205,355	1,193,887,162
	Provision against advances							
	- Specific	9.5	-	-	(69,086,372)	(67,067,637)	(69,086,372)	(67,067,637)
	- General		(9,569,507)	(9,498,565)	-	-	(9,569,507)	(9,498,565)
			(9,569,507)	(9,498,565)	(69,086,372)	(67,067,637)	(78,655,879)	(76,566,202)
	Advances - net of provision		1,379,466,191	1,108,937,992	5,083,285	8,382,968	1,384,549,476	1,117,320,960

9.1 This includes net investment in finance lease as disclosed below:

	2021				2020			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
(Rupees in '000)								
Total minimum lease payments	1,836,268	26,623,340	24,570,974	53,030,582	2,071,145	18,344,618	16,886,606	37,302,369
Financial charges for future periods	(286,458)	(4,363,882)	(6,435,784)	(11,086,124)	(206,620)	(3,144,813)	(4,560,644)	(7,912,077)
Net investment in finance lease	1,549,810	22,259,458	18,135,190	41,944,458	1,864,525	15,199,805	12,325,962	29,390,292

9.2 Information related to Islamic financing and related assets is given in note 3 of Annexure I and is an integral part of these unconsolidated financial statements.

9.3	Particulars of advances (Gross)	2021	2020
		(Rupees in '000)	
	In local currency	1,164,857,784	1,013,517,803
	In foreign currencies	298,347,571	180,369,359
		1,463,205,355	1,193,887,162

9.4 Advances include Rs 74,169.657 million (2020: Rs 75,450.605 million) which have been placed under non-performing status as detailed below:

Category of Classification	2021		2020	
	Non - performing advances	Provision	Non - performing advances	Provision
(Rupees in '000)				
Domestic				
Other assets especially mentioned	338,312	-	723,200	-
Substandard	2,613,643	633,285	5,298,716	1,294,860
Doubtful	1,204,317	602,158	1,077,034	538,517
Loss	43,080,525	42,092,554	42,141,393	40,925,622
	47,236,797	43,327,997	49,240,343	42,758,999
Overseas				
Not past due but impaired	33,958	8,490	592,400	355,535
Overdue by:				
Up to 90 days	29,965	-	105,684	36,925
91 to 180 days	17,181	14,815	225,844	51,457
181 to 365 days	1,995,683	1,929,459	3,622	3,110
> 365 days	24,856,073	23,805,611	25,282,712	23,861,611
	26,932,860	25,758,375	26,210,262	24,308,638
Total	74,169,657	69,086,372	75,450,605	67,067,637

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

9.5 Particulars of provision against advances

	Note	2021			2020		
		Specific	General	Total	Specific	General	Total
(Rupees in '000)							
Opening balance		67,067,637	9,498,565	76,566,202	66,459,144	3,292,615	69,751,759
Exchange adjustment		2,397,887	209,339	2,607,226	743,861	37,955	781,816
Charge for the year		9,396,546	1,284,701	10,681,247	7,989,721	6,450,039	14,439,760
Reversal for the year		(3,455,270)	(1,423,098)	(4,878,368)	(3,920,241)	(282,044)	(4,202,285)
Net charge / (reversal) against advances		5,941,276	(138,397)	5,802,879	4,069,480	6,167,995	10,237,475
Charged off during the year- agriculture financing	9.7	(532,280)	-	(532,280)	(750,824)	-	(750,824)
Written off during the year	9.8	(5,788,148)	-	(5,788,148)	(3,454,024)	-	(3,454,024)
Closing balance		69,086,372	9,569,507	78,655,879	67,067,637	9,498,565	76,566,202

9.5.1 Particulars of provision against advances

In local currency	42,332,649	7,051,549	49,384,198	41,654,408	7,655,137	49,309,545
In foreign currencies	26,753,723	2,517,958	29,271,681	25,413,229	1,843,428	27,256,657
	69,086,372	9,569,507	78,655,879	67,067,637	9,498,565	76,566,202

9.6 General provision includes provision amounting to Rs 2,753.209 million (2020: Rs 2,237.187 million) against consumer finance portfolio. General provision also includes Rs 2,517.958 million (2020: Rs 1,843.428 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Bank operates and, as discussed in Note 4.4, Rs 4,298.340 million (2020: 5,417.950 million) on account of potential provisions required against borrowers affected by the pandemic.

9.7 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
9.8 Particulars of write offs			
9.8.1 Against provisions	9.5	5,788,148	3,454,024
Directly charged to the profit and loss account		81,069	98,525
		5,869,217	3,552,549
Against charge off		442	-
	9.8.2	5,869,659	3,552,549
9.8.2 Analysis of write offs			
Write offs of Rs 500,000 and above			
- Domestic		2,315,683	657,812
- Overseas	9.9.2	3,180,654	2,648,980
		5,496,337	3,306,792
Write offs of below Rs 500,000		373,322	245,757
		5,869,659	3,552,549

9.9 Details of written off advances of Rs 500,000 and above

9.9.1 The statement required under sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 in respect of written off advances or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2021 is given in Annexure II to these unconsolidated financial statements.

9.9.2 These include write offs or financial relief allowed to borrowers in those countries where there are disclosure restrictions.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
10 FIXED ASSETS			
Capital work-in-progress	10.1	7,487,106	2,309,644
Property and equipment	10.2	86,671,146	82,040,874
		94,158,252	84,350,518
10.1 Capital work-in-progress			
Civil works		4,367,583	602,868
Equipment		310,830	1,182,896
Advances to suppliers and contractors		2,808,693	523,880
		7,487,106	2,309,644

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

10.2 Property and equipment

	2021										
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improve-ments	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right -of -use assets	Total
	(Rupees in '000)										
At January 1, 2021											
Cost / revalued amount	810,817	33,852,266	394,428	17,569,518	3,643,428	7,691,997	4,445,674	26,244,815	971,491	19,789,587	115,414,021
Accumulated depreciation	-	-	(51,624)	(14,975)	(889,212)	(5,442,249)	(2,311,321)	(18,384,086)	(584,545)	(5,695,135)	(33,373,147)
Net book value	810,817	33,852,266	342,804	17,554,543	2,754,216	2,249,748	2,134,353	7,860,729	386,946	14,094,452	82,040,874
Year ended December 31, 2021											
Opening net book value	810,817	33,852,266	342,804	17,554,543	2,754,216	2,249,748	2,134,353	7,860,729	386,946	14,094,452	82,040,874
Additions	-	400,000	2,068	281,975	93,049	1,908,971	743,184	4,263,753	186,832	5,875,881	13,755,713
Disposals	-	-	-	-	(1,368)	(3,724)	(3,663)	(11,033)	(12,913)	(1,911)	(34,612)
Depreciation charge	-	-	(8,014)	(370,665)	(416,315)	(968,515)	(634,953)	(3,885,486)	(130,783)	(2,782,450)	(9,197,181)
Write off	-	-	-	-	(7,425)	(9,159)	(9,826)	(99,863)	(130)	-	(126,403)
Exchange rate adjustments	54,039	-	4,713	1,580	-	24,743	11,949	33,965	2,347	113,697	247,033
Other adjustments / transfers	-	-	(197)	(265)	1,093	(6,931)	4,403	(11,888)	(493)	-	(14,278)
Closing net book value	864,856	34,252,266	341,374	17,467,168	2,423,250	3,195,133	2,245,447	8,150,177	431,806	17,299,669	86,671,146
At December 31, 2021											
Cost / revalued amount	864,856	34,252,266	363,195	17,854,067	3,701,947	9,499,890	5,184,747	26,556,978	1,077,462	24,527,488	123,882,896
Accumulated depreciation	-	-	(21,821)	(386,899)	(1,278,697)	(6,304,757)	(2,939,300)	(18,406,801)	(645,656)	(7,227,819)	(37,211,750)
Net book value	864,856	34,252,266	341,374	17,467,168	2,423,250	3,195,133	2,245,447	8,150,177	431,806	17,299,669	86,671,146
Rate of depreciation (%)	-	-	3-5	1.67-4	10	10-20	10-20	10-33	10-20	2.50-100	
	2020										
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improve-ments	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of-use assets	Total
	(Rupees in '000)										
At January 1, 2020											
Cost / revalued amount	685,785	27,833,786	269,500	16,741,781	3,572,650	6,808,273	3,900,490	23,600,922	897,483	15,688,263	99,998,933
Accumulated depreciation	-	-	(107,512)	(475,963)	(477,468)	(4,764,516)	(1,805,389)	(15,344,567)	(495,963)	(2,804,863)	(26,276,241)
Net book value	685,785	27,833,786	161,988	16,265,818	3,095,182	2,043,757	2,095,101	8,256,355	401,520	12,883,400	73,722,692
Year ended December 31, 2020											
Opening net book value	685,785	27,833,786	161,988	16,265,818	3,095,182	2,043,757	2,095,101	8,256,355	401,520	12,883,400	73,722,692
Additions	-	981,325	37	92,040	60,979	1,004,196	585,747	2,885,225	110,767	5,722,853	11,443,169
Disposals	-	-	(2,077)	-	-	(46,560)	(6,244)	(20,638)	(951)	(1,351,128)	(1,427,598)
Movement in surplus on assets revalued during the year	97,049	4,923,031	193,226	1,479,870	-	-	-	-	-	-	6,693,176
Impairment reversed during the year	-	114,124	-	44,584	-	-	-	-	-	-	158,708
Depreciation charge	-	-	(12,922)	(327,767)	(415,316)	(771,856)	(548,986)	(3,263,178)	(126,255)	(3,197,780)	(8,664,060)
Exchange rate adjustments	27,983	-	1,860	588	-	20,651	7,249	18,486	1,943	69,743	148,503
Other adjustments / transfers	-	-	692	(590)	13,371	(440)	1,486	(15,521)	(78)	(32,636)	(33,716)
Closing net book value	810,817	33,852,266	342,804	17,554,543	2,754,216	2,249,748	2,134,353	7,860,729	386,946	14,094,452	82,040,874
At December 31, 2020											
Cost / revalued amount	810,817	33,852,266	394,428	17,569,518	3,643,428	7,691,997	4,445,674	26,244,815	971,491	19,789,587	115,414,021
Accumulated depreciation	-	-	(51,624)	(14,975)	(889,212)	(5,442,249)	(2,311,321)	(18,384,086)	(584,545)	(5,695,135)	(33,373,147)
Net book value	810,817	33,852,266	342,804	17,554,543	2,754,216	2,249,748	2,134,353	7,860,729	386,946	14,094,452	82,040,874
Rate of depreciation (%)	-	-	3-5	1.67-4	10	10	10-20	10-33	10-20	1.61-100	

10.2.1 With effect from January 2021, the estimated useful life of biometric devices has been revised from 5 years to 4 years which is more reflective of the consumption pattern of these assets. The effect of this change on depreciation expense in the current year and the next year is as follows:

	2022	2021
	(Rupees in '000)	
Increase in depreciation expense of Biometric Devices	66,892	112,270

10.3 Revaluation of properties

The properties of the Bank were revalued by independent professional valuers as at December 31, 2020. The revaluation was carried out by M/s Iqbal A. Nanjee & Co. (Private) Limited (Pakistan), M/s United Valuers (Pte) Limited (Singapore), M/s Sunil Fernando & Associates (Private) Limited (Sri Lanka), M/s AKTIF Real Estate Appraisal and Consultancy Inc. (Turkey) and M/s Al-Amrousiya Real Estate (Lebanon) on the basis of assessment of then present market values. The revaluation had resulted in an increase of Rs 6,693.176 million in the surplus. The total surplus arising against revaluation of fixed assets as at December 31, 2021 amounts to Rs 28,758.932 million.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

10.4 Had there been no periodic revaluation, the carrying amounts of revalued assets would have been as follows:

	2021	2020
	(Rupees in '000)	
Freehold land	474,594	420,555
Leasehold land	10,127,486	9,780,805
Building on freehold land	93,736	84,405
Building on leasehold land	13,470,916	13,533,218
	<u>24,166,732</u>	<u>23,818,983</u>

10.5 Details of disposal of fixed assets

The information relating to disposal of fixed assets to related parties is given in Annexure III and is an integral part of these unconsolidated financial statements.

10.6 The carrying amount of fixed assets held for disposal amounted to Rs 4.652 million (2020: Rs 3.253 million).

10.7 The cost of fully depreciated fixed assets that are still in the Bank's use is as follows:

	Note	2021	2020
		(Rupees in '000)	
Leasehold improvements		3,634,316	3,231,303
Furniture and fixtures		840,234	774,620
Electrical, office and computer equipment		8,271,530	9,568,867
Vehicles		220,197	238,479
		<u>12,966,277</u>	<u>13,813,269</u>

11 INTANGIBLE ASSETS

Capital work-in-progress - computer software		2,034,059	1,553,039
Intangible assets	11.1	<u>4,579,350</u>	<u>3,043,768</u>
		<u>6,613,409</u>	<u>4,596,807</u>

11.1 Intangible assets

Computer software

At January 1,

Cost	7,163,490	5,977,122
Accumulated amortisation	<u>(4,119,722)</u>	<u>(3,465,712)</u>
Net book value	<u>3,043,768</u>	<u>2,511,410</u>

Year ended December 31,

Opening net book value	3,043,768	2,511,410
Purchased during the year	2,481,497	1,264,942
Disposal / Write-off	-	(10,544)
Amortisation charge	(983,969)	(741,559)
Exchange rate adjustments	36,964	19,742
Other adjustments	1,090	(223)
Closing net book value	<u>4,579,350</u>	<u>3,043,768</u>

At December 31,

Cost	9,703,329	7,163,490
Accumulated amortisation	<u>(5,123,979)</u>	<u>(4,119,722)</u>
Net book value	<u>4,579,350</u>	<u>3,043,768</u>
Rate of amortisation (%)	<u>10-33.33</u>	<u>10-33.33</u>
Useful life (years)	<u>3-10</u>	<u>3-10</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

- 11.2 The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs 2,736.878 million (2020: Rs 2,095.682 million).

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
12 DEFERRED TAX ASSETS / (LIABILITIES)			
Deductible temporary differences on			
- Provision against investments		744,857	1,143,042
- Provision against doubtful debts and off-balance sheet obligations		3,033,816	3,591,810
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		2,583,250	1,938,319
- Surplus on revaluation of investments	20	1,307,690	(5,415,272)
- Provision against other assets		15,342	45,062
- Deficit on revaluation of fixed assets		-	72,832
- Ijarah financing		156,250	199,225
		7,841,205	1,575,018
Taxable temporary differences on			
- Accelerated tax depreciation		(1,675,533)	(1,851,784)
- Surplus on revaluation of fixed assets	20	(1,748,389)	(1,788,461)
- Exchange translation reserve		(672,350)	(903,630)
		(4,096,272)	(4,543,875)
Net deferred tax assets / (liabilities)		3,744,933	(2,968,857)

12.1 Movement in temporary differences during the year

	Balance as at January 1, 2020	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2020	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2021
	(Rupees in '000)						
Deductible temporary differences on							
- Provision against investments	1,616,995	(473,953)	-	1,143,042	(398,185)	-	744,857
- Provision against doubtful debts and off-balance sheet obligations	4,158,485	(566,675)	-	3,591,810	(557,994)	-	3,033,816
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001	1,671,011	267,308	-	1,938,319	644,931	-	2,583,250
- Surplus on revaluation of investments	(2,284,604)	-	(3,130,668)	(5,415,272)	-	6,722,962	1,307,690
- Provision against other assets	50,989	(5,927)	-	45,062	(29,720)	-	15,342
- Deficit on revaluation of fixed assets	163,960	(91,128)	-	72,832	(72,832)	-	-
- Ijarah financing	150,674	48,551	-	199,225	(42,975)	-	156,250
Taxable temporary differences on							
- Accelerated tax depreciation	(2,092,012)	240,228	-	(1,851,784)	176,251	-	(1,675,533)
- Surplus on revaluation of fixed assets	(1,161,940)	25,986	(652,507)	(1,788,461)	40,072	-	(1,748,389)
- Exchange translation reserve	(374,730)	-	(528,900)	(903,630)	-	231,280	(672,350)
Net deferred tax assets / (liability)	1,898,828	(555,610)	(4,312,075)	(2,968,857)	(240,452)	6,954,242	3,744,933

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

13	OTHER ASSETS	Note	2021 (Rupees in '000)	2020
	Mark-up / return / profit / interest accrued in local currency - net of provision		48,301,309	44,804,538
	Mark-up / return / profit / interest accrued in foreign currency - net of provision		3,558,922	2,448,754
	Advances, deposits, advance rent and other prepayments		3,564,250	2,355,787
	Advance taxation		21,699,101	21,183,176
	Advances against subscription of securities		178,000	1,096,000
	Stationery and stamps on hand		134,835	113,476
	Accrued fees and commissions receivable		542,228	464,201
	Due from Government of Pakistan / SBP		2,048,993	1,441,901
	Mark to market gain on forward foreign exchange contracts		8,470,307	3,358,985
	Mark to market gain on derivative instruments	22.2	251,603	182,917
	Non-banking assets acquired in satisfaction of claims	13.1	459,389	432,937
	Receivable from defined benefit plan	36.4	759,354	-
	Branch adjustment account		897,554	538,852
	Acceptances		35,740,017	26,702,624
	Clearing and settlement accounts		17,436,987	3,220,084
	Dividend receivable		185,213	15,026
	Claims receivable against fraud and forgeries		541,337	553,356
	Others		1,136,161	645,482
			<u>145,905,560</u>	<u>109,558,096</u>
	Provision held against other assets	13.2	(1,243,645)	(1,127,909)
	Other assets - net of provision		144,661,915	108,430,187
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20.2	224,064	209,594
	Other assets - total		<u>144,885,979</u>	<u>108,639,781</u>

13.1 Details of revaluation of non-banking assets acquired in satisfaction of claims

Market value of non-banking assets acquired in satisfaction of claims	<u>680,986</u>	<u>639,379</u>
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13.1.1 Non-banking assets acquired in satisfaction of claims have been revalued by independent professional valuers as at December 31, 2021. The revaluation was carried out by M/s Hamid Mukhtar & Co (Private) Limited, M/s Harvester Services (Private) Limited and M/s Elevante Property Services Limited on the basis of an assessment of present market values and resulted in an increase in the surplus by Rs 132.680 million. The total surplus arising against revaluation of non banking assets acquired in satisfaction of claims as at December 31, 2021 amounts to Rs 224.064 million (2020: Rs 209.594 million).

13.1.2	Non-banking assets acquired in satisfaction of claims	Note	2021 (Rupees in '000)	2020
	Opening balance		639,379	626,000
	Exchange adjustment		2,804	-
	Additions during the year		189,876	-
	Disposal during the year		(200,000)	(40,000)
	Revaluation during the year	20.2	132,680	49,570
	Transferred to fixed assets		(83,672)	-
	Depreciation		(766)	(63)
	Reversal of impairment		685	3,872
	Closing balance		<u>680,986</u>	<u>639,379</u>

13.1.3 Gain on sale of non-banking assets acquired in satisfaction of claims

Disposal proceeds	216,000	42,500
Less:		
Cost	81,790	35,720
Surplus realised on disposal	118,210	4,280
	<u>200,000</u>	<u>40,000</u>
	<u>16,000</u>	<u>2,500</u>

13.2 Provision held against other assets

Acceptances	-	419,923
Non-banking assets acquired in satisfaction of claims	2,467	3,152
Claims receivable against fraud and forgeries	541,337	553,356
Suit filed cases	4,800	4,998
Others	695,041	146,480
	<u>1,243,645</u>	<u>1,127,909</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020
13.2.1 Movement in provision against other assets			
Opening balance		1,127,909	821,996
Exchange adjustment		(17,808)	19,735
Charge for the year		741,684	691,987
Reversal for the year		(551,548)	(33,899)
Net charge		190,136	658,088
Written off during the year		(56,592)	(49,042)
Transferred out		-	(322,868)
Closing balance		1,243,645	1,127,909
14 BILLS PAYABLE			
In Pakistan		42,654,426	44,792,798
Outside Pakistan		1,199,434	1,329,546
		43,853,860	46,122,344
15 BORROWINGS			
Secured			
Borrowings from the SBP under			
- Export refinance scheme	15.2	69,782,711	60,068,212
- Long term financing facility	15.3	32,529,493	25,922,575
- Financing facility for renewable energy power plants	15.4	6,805,470	1,716,425
- Refinance facility for modernization of Small & Medium Enterprises (SMEs)	15.5	241,788	152,893
- Refinance and Credit Guarantee Scheme for Women Entrepreneurs	15.6	155,370	163,416
- Financing facility for storage of agricultural produce	15.7	333,349	292,211
- Financing facility for working capital of SMEs		-	135,625
- Refinance scheme for payment of wages and salaries	15.8	15,476,761	30,928,363
- Refinance facility for combating COVID-19	15.9	1,055,725	1,300,000
- Temporary economic refinance facility	15.10	26,010,138	4,917,263
		152,390,805	125,596,983
Repurchase agreement borrowings	15.12	140,193,364	321,070,809
		292,584,169	446,667,792
Unsecured			
- Call money borrowings	15.13	1,000,000	13,450,000
- Overdrawn nostro accounts		618,796	164,928
- Borrowings of overseas branches	15.14	81,220,283	28,814,549
- Other long-term borrowings	15.15	56,838,406	50,997,984
		139,677,485	93,427,461
		432,261,654	540,095,253
15.1 Particulars of borrowings with respect to currencies			
In local currency		293,766,153	460,612,127
In foreign currencies		138,495,501	79,483,126
		432,261,654	540,095,253
15.2 The Bank has entered into an agreement with the SBP for extending export finance to customers. These carry mark-up at rates ranging from 1.00% to 2.00% per annum (2020: 1.00% to 3.00% per annum) and are due to mature latest by December 05, 2022.			
15.3 These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These carry mark-up at rates ranging from 2.00% to 8.60% per annum (2020: 2.00% to 8.60% per annum) and are due to mature latest by May 17, 2032.			

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

- 15.4 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 3.00% per annum (2020: 2.00% to 3.00% per annum) and are due to mature latest by September 18, 2032.
- 15.5 These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises. These carry mark-up at a rate of 2.00% per annum (2020: 2.00% per annum) and are due to mature latest by October 10, 2026.
- 15.6 These borrowings have been obtained from the SBP under a scheme to finance women entrepreneurs for setting up of new business enterprises or for expansion of existing ones. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by November 09, 2025.
- 15.7 These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rates ranging from 2.00% to 3.25% per annum (2020: 2.00% to 3.50% per annum) and are due to mature latest by March 30, 2026.
- 15.8 These borrowings have been obtained from the SBP under a scheme to help businesses pay wages and salaries to their employees during the pandemic and thereby support continued employment. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by October 01, 2022.
- 15.9 These borrowings have been obtained from the SBP to provide emergency financing to hospitals and medical centres to develop capacity for the treatment of COVID-19 patients. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by September 30, 2025. The maximum financing limit under the facility is Rs 500 million per hospital / medical centre with a tenor of 5 years, including a grace period of up to 6 months.
- 15.10 These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up new industrial units in the backdrop of challenges faced by industries during the pandemic. These carry mark-up at a rate of 1.00% per annum (2020: 1.00% per annum) and are due to mature latest by December 15, 2032. The maximum limit granted under this facility is Rs 5 billion per project with a tenor of 10 years, including a grace period of 2 years.
- 15.11 For all SBP borrowings, the SBP has a right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP.
- 15.12 Repurchase agreement borrowings carry mark-up at rates ranging from 9.70% to 10.25% per annum (2020: 6.20% to 7.02% per annum) and are due to mature latest by February 25, 2022. The market value of securities given as collateral against these borrowings is given in note 8.2.1.
- 15.13 Call money borrowings carry mark-up at a rate of 10.05% per annum (2020: 6.05% to 7.15% per annum) and are due to mature latest by January 04, 2022.
- 15.14 Borrowings by overseas branches carry mark-up at rates ranging from 0.01% to 5.25% per annum (2020: 0.01% to 2.44% per annum) and are due to mature latest by December 22, 2022.
- 15.15 This includes the following:
- 15.15.1 A loan from the International Finance Corporation amounting to US\$ 150 million (2020: US\$ 150 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi-annually.
- 15.15.2 A long-term financing facility arrangement of US\$ 300 million with China Development Bank, to be utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 170.975 million (2020: US\$ 165.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to January 31, 2023. Starting from that date, the entire drawn amount is payable in semi-annual installments from January 31, 2023 to January 31, 2033. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.
- 15.15.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 181.985 million (2020: Rs 194.309 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (2020: 11.21% per annum) is payable semi-annually.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

16 DEPOSITS AND OTHER ACCOUNTS

Note	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
Customers						
Current deposits	946,973,718	130,629,895	1,077,603,613	818,376,303	95,804,417	914,180,720
Savings deposits	1,083,204,383	93,067,228	1,176,271,611	976,981,942	85,041,111	1,062,023,053
Term deposits	437,652,740	158,727,090	596,379,830	292,861,588	112,812,988	405,674,576
	2,467,830,841	382,424,213	2,850,255,054	2,088,219,833	293,658,516	2,381,878,349
Financial institutions						
Current deposits	5,635,457	1,406,584	7,042,041	14,003,219	1,310,351	15,313,570
Savings deposits	294,001,584	451,389	294,452,973	259,670,600	657,250	260,327,850
Term deposits	26,495,962	6,014,857	32,510,819	5,083,529	6,887,418	11,970,947
	326,133,003	7,872,830	334,005,833	278,757,348	8,855,019	287,612,367
16.2	<u>2,793,963,844</u>	<u>390,297,043</u>	<u>3,184,260,887</u>	<u>2,366,977,181</u>	<u>302,513,535</u>	<u>2,669,490,716</u>

16.1 Composition of deposits	2021	2020
	(Rupees in '000)	
- Individuals	1,766,241,516	1,463,176,079
- Government (Federal and Provincial)	184,253,553	153,554,052
- Banking Companies	16,594,114	10,105,943
- Non-Banking Financial Institutions	317,411,719	277,506,424
- Other public sector entities	220,164,472	135,083,271
- Other private sector entities	679,595,513	630,064,947
	<u>3,184,260,887</u>	<u>2,669,490,716</u>

16.2 This includes deposits amounting to Rs 1,689,010.499 million (2020: Rs 1,565,304.659 million) which are eligible for coverage under insurance arrangements.

17 SUBORDINATED DEBT	Note	2021	2020
		(Rupees in '000)	
Tier II Term Finance Certificates	17.1	-	9,982,000
Additional Tier I Term Finance Certificates	17.2	12,374,000	12,374,000
		<u>12,374,000</u>	<u>22,356,000</u>

17.1 In accordance with Sub-Section 1.1.6 of Article 1 read with Condition 4 in Schedule 3 of the Trust Deed dated December 15, 2015 executed between the Issuer and the Trustee, the Bank has exercised the call option in full with respect to all outstanding Tier II Term Finance Certificates (TFCs). Accordingly, on February 19, 2021, the 5th anniversary of the issue date (the "Call Option Exercise Date"), the entire principal outstanding amount was redeemed, along with accrued profit. The TFCs have also been delisted from the PSX with effect from March 15, 2021.

17.2 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

The key features of the issue are as follows:

Issue date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [December 31, 2020: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors. However, they shall rank superior to the claims of ordinary shareholders.
Profit payment frequency	Quarterly in arrears
Redemption	Perpetual, hence not applicable.
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised. If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and Investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
Lock-in clause	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
Loss absorbency clause	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021	2020
		(Rupees in '000)	
18 OTHER LIABILITIES			
Mark-up / return / profit / interest payable in local currency		8,660,189	9,964,075
Mark-up / return / profit / interest payable in foreign currency		2,499,116	2,209,403
Security deposits		909,334	974,790
Accrued expenses		19,564,176	17,984,739
Mark to market loss on forward foreign exchange contracts		6,895,147	5,996,571
Mark to market loss on derivative instruments	22.2	2,624,952	1,449,800
Unclaimed dividends		727,940	693,700
Dividends payable		1,327,763	115,626
Provision for post retirement medical benefits	36.4.5	4,557,833	3,763,654
Provision for employees' compensated absences	36.4.5	2,177,565	2,492,992
Provision against off-balance sheet obligations	18.1	2,687,054	1,138,648
Acceptances		35,740,017	26,702,624
Provision for staff retirement benefits		1,251,289	1,239,418
Payable to defined benefit plans	36.4.4 & 36.1.6	433,201	1,182,639
Provision for Workers' Welfare Fund	29	7,503,825	6,324,325
Unearned income		4,452,650	4,229,811
Qarz-e-Hasna Fund		338,409	338,542
Levies and taxes payable		7,527,698	6,977,533
Insurance payable		1,221,867	868,971
Provision for rewards program expenses		1,748,370	1,391,392
Liability against trading of securities		3,701,035	902,755
Clearing and settlement accounts		4,214,923	4,538,482
Payable to HBL Foundation		405,576	315,431
Contingent consideration payable		500,000	500,000
Charity fund		44,865	4,234
Lease liability against right-of-use assets		19,528,712	15,300,909
Unclaimed deposits		348,609	91,752
Others		2,316,780	2,260,969
		<u>143,908,895</u>	<u>119,953,785</u>
18.1 Provision against off-balance sheet obligations			
Opening balance		1,138,648	437,795
Exchange adjustment		(38,031)	(25,452)
Charge for the year		1,616,293	480,696
Reversal for the year		(75,785)	(95,905)
Net charge		1,540,508	384,791
Written off during the year		(1,653)	(4,053)
Transferred in		47,582	345,567
Closing balance		<u>2,687,054</u>	<u>1,138,648</u>
19 SHARE CAPITAL			
19.1 Authorised capital			
2021	2020		
Number of shares in '000			
<u>2,900,000</u>	<u>2,900,000</u>	Ordinary shares of Rs 10 each	<u>29,000,000</u>
			<u>29,000,000</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

19.2 Issued, subscribed and paid-up capital

2021	2020		2021	2020
Number of shares in '000			(Rupees in '000)	
		Ordinary shares of Rs 10 each		
690,000	690,000	Fully paid in cash	6,900,000	6,900,000
776,852	776,852	Issued as bonus shares	7,768,525	7,768,525
<u>1,466,852</u>	<u>1,466,852</u>		<u>14,668,525</u>	<u>14,668,525</u>

**19.3 Major shareholders
(holding more than 5% of total paid-up capital)**

	2021		2020	
	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Name of shareholder				
Aga Khan Fund for Economic Development	<u>748,094,778</u>	<u>51.00%</u>	<u>748,094,778</u>	<u>51.00%</u>

19.4 Shares of the Bank held by associated companies

	2021	2020
	(Number of shares)	
Jubilee General Insurance Company Limited	4,270,000	4,270,000
Jubilee Life Insurance Company Limited	33,246,975	12,910,000
HBL Equity Fund	1,067,000	231,000
HBL Investment Fund Class B	692,395	326,600
HBL Multi Asset Fund	143,271	62,971
HBL Stock Fund	364,004	530,504
HBL Income Fund	522,069	-
HBL Pension Fund- Equity Sub Fund	131,500	-

19.5 Statutory reserve

Every banking company incorporated in Pakistan is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserve equals the paid-up share capital. Thereafter, 10% of the profit after tax of the Bank is required to be transferred to this reserve. Accordingly, the Bank transfers 10% of its profit after tax every year to the statutory reserve.

19.6 Exchange translation reserve

This comprises off all foreign currency differences arising from the translation of the net investment in foreign branches.

	Note	2021	2020
		(Rupees in '000)	
20 Surplus on revaluation of assets - net of tax			
Surplus / (deficit) arising on revaluation of:			
- Fixed assets	20.1	28,758,932	28,861,681
- Available-for-sale securities	8.1	(3,353,052)	13,885,314
- Non-banking assets acquired in satisfaction of claims	20.2	224,064	209,594
		25,629,944	42,956,589
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:			
- Fixed assets	20.1	1,748,389	1,788,461
- Available-for-sale securities	12.1	(1,307,690)	5,415,272
- Non-banking assets acquired in satisfaction of claims	12.1	-	-
		440,699	7,203,733
Surplus on revaluation of assets - net of tax		<u>25,189,245</u>	<u>35,752,856</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
20.1 Surplus on revaluation of fixed assets			
Surplus on revaluation of fixed assets as at January 01		28,861,681	22,235,136
Surplus recognised during the year		-	6,693,176
Surplus realised on disposal of revalued properties during the year - net of deferred tax		-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(62,677)	(40,645)
Related deferred tax liability on surplus realised on disposal of revalued properties		-	-
Related deferred tax liability on incremental depreciation charged during the year		(40,072)	(25,986)
Surplus on revaluation of fixed assets as at December 31		28,758,932	28,861,681
Less: related deferred tax liability on			
- Revaluation as at January 01		1,788,461	1,161,940
- Revaluation recognised during the year		-	652,507
- Effect of change in tax rate		-	-
- Surplus realised on disposal of revalued properties during the year		-	-
- Incremental depreciation charged during the year		(40,072)	(25,986)
		1,748,389	1,788,461
		<u>27,010,543</u>	<u>27,073,220</u>
20.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims			
Surplus on revaluation as at January 01		209,594	164,304
Surplus recognised during the year		132,680	49,570
Surplus realised on disposal during the year		(118,210)	(4,280)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		-	-
Related deferred tax liability on incremental depreciation charged during the year		-	-
Surplus on revaluation as at December 31		224,064	209,594
Less: related deferred tax liability on			
- Revaluation as at January 01		-	-
- Revaluation recognised during the year		-	-
- Incremental depreciation charged during the year		-	-
		-	-
		<u>224,064</u>	<u>209,594</u>
21 CONTINGENCIES AND COMMITMENTS			
- Guarantees	21.1	293,623,883	201,448,496
- Commitments	21.2	1,039,855,311	762,895,459
- Other contingent liabilities	21.3	25,699,064	23,888,069
		<u>1,359,178,258</u>	<u>988,232,024</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
21.1 Guarantees :			
Financial guarantees		86,368,473	63,750,853
Performance guarantees		165,451,222	126,465,667
Other guarantees		41,804,188	11,231,976
		<u>293,623,883</u>	<u>201,448,496</u>
21.2 Commitments :			
Trade-related contingent liabilities		303,330,246	151,147,102
Commitments in respect of :			
- forward foreign exchange contracts	21.2.1	560,033,923	405,885,132
- forward Government securities transactions	21.2.2	93,562,463	150,757,178
- derivatives	21.2.3	42,049,128	38,504,637
- forward lending	21.2.4	28,792,146	11,085,983
		<u>724,437,660</u>	<u>606,232,930</u>
Commitments for acquisition of :			
- fixed assets		10,202,010	4,389,650
- intangible assets		1,885,395	1,125,777
		<u>12,087,405</u>	<u>5,515,427</u>
		<u>1,039,855,311</u>	<u>762,895,459</u>
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		320,185,675	245,614,763
Sale		239,848,248	160,270,369
		<u>560,033,923</u>	<u>405,885,132</u>
21.2.2 Commitments in respect of forward Government Securities transactions			
Purchase		27,830,190	96,427,590
Sale		65,732,273	54,329,588
		<u>93,562,463</u>	<u>150,757,178</u>
21.2.3 Commitments in respect of derivatives			
Cross currency swaps			
Purchase		17,058,770	14,662,810
Sale		19,308,883	16,007,336
		<u>36,367,653</u>	<u>30,670,146</u>
Interest rate swaps			
Purchase		-	-
Sale		5,681,475	7,834,491
		<u>5,681,475</u>	<u>7,834,491</u>
21.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to extend credit		<u>28,792,146</u>	<u>11,085,983</u>
These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.			
		2021	2020
		(Rupees in '000)	
21.3 Other contingent liabilities			
21.3.1 Claims against the Bank not acknowledged as debts		<u>25,699,064</u>	<u>23,888,069</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these unconsolidated financial statements.

21.3.2 There were no tax related contingencies as at the year end.

22 DERIVATIVE INSTRUMENTS

A derivative is a financial instrument whose value changes in response to changes in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or a similar variable, sometimes called the underlying. Derivatives include forwards, futures, swaps, options and structured financial products that have one or more of the characteristics of forwards, futures, swaps and options.

The Bank, as an Authorized Derivative Dealer (ADD), is an active participant in the Pakistan derivatives market. The ADD license covers only the transactions mentioned below, which are permitted under the Financial Derivatives Business Regulations issued by the SBP.

- (a) Foreign Currency Options
- (b) Forward Rate Agreements
- (c) Interest Rate Swaps
- (d) Cross Currency Swaps

However, the Bank also offers other derivative products to satisfy customer requirements, specific approval of which is sought from the SBP on a transaction by transaction basis.

These transactions cover the aspects of both market making and hedging. The risk management processes and policies related to derivatives are disclosed in note 44.5 to these unconsolidated financial statements.

22.1 Product Analysis

Counterparties	2021			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)			
With Banks for				
Hedging	-	-	-	-
Market Making	796,114	(61,263)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	1,388,034	(42,353)	875,000	(43,325)
With other entities for				
Hedging	-	-	-	-
Market Making	34,183,505	(2,086,104)	4,806,475	(140,304)
Total				
Hedging	-	-	-	-
Market Making	36,367,653	(2,189,720)	5,681,475	(183,629)
Counterparties	2020			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market gain / (loss)
	(Rupees in '000)			
With Banks for				
Hedging	-	-	-	-
Market Making	3,025,355	(347,559)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	-	-	1,125,000	(5,039)
With other entities for				
Hedging	-	-	-	-
Market Making	27,644,791	(992,706)	6,709,491	78,421
Total				
Hedging	-	-	-	-
Market Making	30,670,146	(1,340,265)	7,834,491	73,382

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

22.2 Maturity Analysis

2021					
Remaining Maturity	No. of contracts	Notional principal	Mark to market		
			Loss	Gain	Net
			(Rupees in '000)		
Up to 1 Month	-	-	-	-	-
1 to 3 Months	2	695,996	(19,167)	-	(19,167)
3 Months to 6 Months	1	166,232	(10,699)	-	(10,699)
6 Months to 1 Year	1	662,777	(44,794)	-	(44,794)
1 to 2 Years	4	5,530,524	(313,312)	8,720	(304,592)
2 to 3 Years	18	7,611,233	(300,853)	-	(300,853)
3 to 5 Years	13	18,431,979	(1,865,403)	-	(1,865,403)
5 to 10 Years	1	1,849,431	(70,724)	-	(70,724)
Over 10 Years	2	7,100,956	-	242,883	242,883
	42	42,049,128	(2,624,952)	251,603	(2,373,349)
2020					
Remaining Maturity	No. of contracts	Notional principal	Mark to market		
			Loss	Gain	Net
			(Rupees in '000)		
Up to 1 Month	2	1,327,861	(93,873)	-	(93,873)
1 to 3 Months	-	-	-	-	-
3 Months to 6 Months	1	223,403	(43,194)	-	(43,194)
6 Months to 1 Year	3	1,743,055	(188,796)	11,652	(177,144)
1 to 2 Years	3	1,861,623	(27,955)	1,360	(26,595)
2 to 3 Years	2	5,016,822	(68,160)	86,547	18,387
3 to 5 Years	19	7,522,290	(18,820)	40,599	21,779
5 to 10 Years	10	20,809,583	(1,009,002)	42,759	(966,243)
	40	38,504,637	(1,449,800)	182,917	(1,266,883)

	2021	2020
	(Rupees in '000)	
23 MARK-UP / RETURN / PROFIT / INTEREST EARNED		
On:		
Loans and advances	96,844,599	104,325,731
Investments	141,690,683	147,908,621
Lendings to financial institutions	6,341,627	5,013,438
Balances with banks	375,212	529,044
	<u>245,252,121</u>	<u>257,776,834</u>

24 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		
On:		
Deposits	92,365,535	103,554,048
Securities sold under repurchase agreement borrowings	16,759,493	15,423,539
Borrowings	5,606,505	6,773,553
Subordinated debt	1,239,075	2,603,244
Cost of foreign currency swaps against foreign currency deposits / borrowings	5,291,195	5,675,841
Lease liability against right-of-use assets	3,043,048	1,694,796
	<u>124,304,851</u>	<u>135,725,021</u>

25 FEE AND COMMISSION INCOME		
Branch banking customer fees	3,870,552	3,198,193
Consumer finance related fees	1,891,195	1,530,759
Card related fees (debit and credit cards)	6,898,082	4,079,011
Credit related fees	845,040	605,013
Investment banking fees	1,433,819	1,159,272
Commission on trade related products and guarantees	3,829,362	3,017,918
Commission on cash management	933,601	801,537
Commission on remittances (including home remittances)	508,874	354,348
Commission on bancassurance	918,994	1,170,557
Commission on Government to Person (G2P) Payments	323,595	578,707
Merchant discount and interchange fees	3,658,025	2,311,195
Others	509,131	349,326
	<u>25,620,270</u>	<u>19,155,836</u>
Less: Sales tax / Federal Excise Duty on fee and commission income	<u>(3,376,451)</u>	<u>(2,802,563)</u>
	<u>22,243,819</u>	<u>16,353,273</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020
26 GAIN ON SECURITIES - NET			
Realised	26.1	1,374,583	6,989,877
Unrealised - held-for-trading	8.1	67,261	37,550
		<u>1,441,844</u>	<u>7,027,427</u>
26.1 Gain / (Loss) on securities - realised			
On:			
Federal Government securities			
- Market Treasury Bills		67,919	5,223,854
- Pakistan Investment Bonds		1,613,120	3,063,002
- Ijarah Sukuks		(34,707)	(148,619)
Shares		(600,139)	(1,027,158)
Non-Government debt securities		(108,854)	(111,481)
Foreign securities		(46,217)	(44,386)
Associates		483,461	34,665
		<u>1,374,583</u>	<u>6,989,877</u>
27 OTHER INCOME			
Incidental charges		503,799	280,485
Exchange gain realised on partial repatriation of branch capital		404,080	-
Exchange gain realised on liquidation of subsidiary		13,354	1,395,593
Exchange loss realised on closure of bank branch		-	(1,887,208)
Gain on sale of fixed assets - net		73,824	77,204
Gain on sale of non-banking assets	27.1	16,000	2,500
Rent on properties		67,744	113,829
Liabilities no longer required written back		35,132	55,808
		<u>1,113,933</u>	<u>38,211</u>

27.1 The Bank earned a gain of Rs 16 million (2020: Rs 2,500 million) against the sale of the following non - banking assets.

	2021 (Rupees in '000)	2020
Open plots situated in Lahore	-	2,500
Open plot situated in Karachi	16,000	-
	<u>16,000</u>	<u>2,500</u>

28 OPERATING EXPENSES

Total compensation expense	28.1	33,697,001	33,639,523
Property expense			
Rent and taxes		1,095,755	1,215,396
Insurance		108,465	81,322
Utilities cost		2,445,529	1,976,039
Security (including guards)		1,903,616	1,801,273
Repairs and maintenance (including janitorial charges)		2,538,201	1,986,959
Depreciation on owned fixed assets	10.2	3,256,966	2,917,336
Depreciation on right-of-use assets	10.2	2,782,450	3,197,780
Reversal of impairment	10.2	-	(158,708)
		14,130,982	13,017,397
Information technology expenses			
Software maintenance		3,545,775	2,917,759
Hardware maintenance		903,039	723,597
Depreciation	10.2	2,347,313	1,845,181
Amortisation	11.1	983,969	741,559
Network charges		1,291,320	1,147,093
Consultancy charges		740,926	699,542
		9,812,342	8,074,731

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 (Rupees in '000)	2020
Other operating expenses			
Legal and professional charges		784,801	2,885,260
Outsourced services costs		1,792,853	1,704,932
Travelling and conveyance		859,000	521,093
Insurance		544,136	550,769
Remittance charges		463,474	425,034
Security charges		2,066,262	1,613,183
Repairs and maintenance		1,448,841	1,315,774
Depreciation	10.2	810,452	703,763
Training and development		162,840	167,970
Postage and courier charges		687,307	579,199
Communication		874,915	707,919
Stationery and printing		1,772,766	1,442,349
Marketing, advertisement and publicity		3,326,148	2,724,870
Donations	28.3	508,056	526,717
Auditors' remuneration	28.4	189,672	185,763
Brokerage and commission		747,179	758,724
Subscription		205,512	166,399
Documentation and processing charges		3,609,711	2,464,759
Entertainment		313,568	267,823
Consultancy charges		330,716	3,492,484
Deposits insurance premium expense		2,504,487	2,232,083
Product feature cost		2,145,231	1,321,809
COVID-19 related expenses	28.5	204,929	602,919
Others		614,532	1,058,361
	28.2	26,967,388	28,419,956
		<u>84,607,713</u>	<u>83,151,607</u>
28.1 Total compensation expense			
Non-Executive Directors' fees	38.2	86,400	84,000
Shariah Board's fees and allowances	38.3	27,982	12,807
Managerial Remuneration			
i) Fixed		17,109,331	17,320,927
ii) Variable		3,662,454	3,242,595
Charge for defined benefit plan		1,062,999	1,707,297
Contribution to defined contribution plan		1,114,536	1,070,864
Rent and house maintenance		4,659,186	4,131,721
Utilities		1,067,706	954,781
Medical		2,076,747	1,986,001
Conveyance		2,678,053	2,330,296
General group staff Insurance		52,888	18,569
Hajj Allowance		-	39,918
Sub-total		33,598,282	32,899,776
Sign-on bonus		21,043	134,710
Severance payments		77,676	605,037
Grand Total		<u>33,697,001</u>	<u>33,639,523</u>
		No of persons	
Sign on bonus		27	52
Severance payments		49	78

28.2 The total cost for the year included in other operating expenses relating to outsourced activities is Rs 2,216.860 million (2020: Rs 2,062.830 million). This cost includes outsourced services costs, which are disclosed specifically in note 28. Of the total cost, Rs 1,934.840 million (2020: Rs 1,820.929 million) pertains to companies incorporated in Pakistan and Rs 282.020 million (2020: Rs 241.901 million) pertains to companies incorporated outside Pakistan. The material outsourcing arrangements along with the nature of services provided by them are as follows:

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Name of company	Nature of service	2021 (Rupees in '000)	2020
A.S.C. First Solutions (Pvt) Limited	Document archival and storage for Pakistan	122,005	121,364
Euronet Pakistan (Private) Limited	Host environment configuration, POS	51,155	74,824
First Solutions	Document archival and storage for UAE	13,941	4,464
Iron Mountain Information Management LLC	Document archival and storage for New York	2,866	3,017
Interactive Printer Solution W.L.L (NCR Subsidiary)	Printing of chequebooks and banker's cheques for HBL Bahrain	1,324	920
Recall Bangladesh Limited	Document archival and storage for Bangladesh	1,045	-
		<u>192,336</u>	<u>204,589</u>

28.3 Details of donations

Donations individually exceeding Rs 100,000

HBL Foundation	405,576	315,431
The Aga Khan Hospital & Medical College Foundation	77,230	157,360
International Parliamentarians' Congress	25,000	30,000
National Institute of Child Health Trust	250	-
Zindagi Trust	-	10,000
Covid-19 fund established by Government of Bahrain	-	6,439
Progressive Education Network	-	5,000
Patients' Aid Foundation	-	2,000
Professional Education Foundation	-	300
Gazanfar Ali - for automation of judicial offices	-	187
	<u>508,056</u>	<u>526,717</u>

Mr. Muhammad Aurangzeb, President and Chief Executive Officer, Mr. Sagheer Mufti, Chief Operating Officer, Mr. Rayomond Kotwal, Chief Financial Officer and Mr. Jamal Nasir, Chief Human Resources Officer are Trustees of the HBL Foundation.

28.4 Auditors' remuneration

	2021			2020		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)					
Audit and audit related fees						
Audit fee of the Bank	27,901	101,947	129,848	27,901	78,615	106,516
Fees for other statutory and related certifications	28,251	7,073	35,324	24,763	6,682	31,445
Out of pocket expenses on audit fees	6,939	2,467	9,406	6,016	413	6,429
Sales tax on audit fees	2,787	6,390	9,177	2,713	1,638	4,351
	<u>65,878</u>	<u>117,877</u>	<u>183,755</u>	<u>61,393</u>	<u>87,348</u>	<u>148,741</u>
Other services						
Special certifications and sundry advisory services	4,000	1,097	5,097	19,506	5,553	25,059
Tax services	-	-	-	8,000	-	8,000
Out of pocket expenses	25	152	177	557	-	557
Sales tax on other services	523	120	643	3,406	-	3,406
	<u>4,548</u>	<u>1,369</u>	<u>5,917</u>	<u>31,469</u>	<u>5,553</u>	<u>37,022</u>
	<u>70,426</u>	<u>119,246</u>	<u>189,672</u>	<u>92,862</u>	<u>92,901</u>	<u>185,763</u>

28.5 These represent expenses incurred for the health and safety of employees and customers and for CSR activities during the on-going pandemic.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

29 WORKERS' WELFARE FUND

The Bank has made a provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

	Note	2021	2020
		(Rupees in '000)	
30 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		549,685	296,416
Penalties imposed by other regulatory bodies		7,493	24,377
		<u>557,178</u>	<u>320,793</u>

31 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET

Reversal of diminution in value of investments	8.9	(1,230,989)	(533,085)
Provision against loans and advances	9.5	5,802,879	10,237,475
Provision against other assets	13.2.1	190,136	658,088
Provision against off-balance sheet obligations	18.1	1,540,508	384,791
Recoveries against written off / charged off bad debts		(762,611)	(558,320)
Recoveries against other assets written off		(10,724)	(63,621)
Fixed Assets written off		133,851	-
Other write offs and operational losses		608,730	-
Bad debts written off directly	9.8.1	81,069	98,525
		<u>6,352,849</u>	<u>10,223,853</u>

32 TAXATION

- Current			
- For the year		24,025,762	21,168,634
- Prior years		436,755	(253,442)
- Deferred			
- For the year	12.1	(128,517)	(246,880)
- Prior years		368,969	802,490
		<u>24,702,969</u>	<u>21,470,802</u>

32.1 Relationship between tax expense and accounting profit

Accounting profit for the current year		<u>58,974,463</u>	<u>52,994,484</u>
Tax on income @ 39% (2020: 39%)		23,000,041	20,667,849
Permanent differences			
- Penalties imposed by the SBP and other regulatory bodies		217,299	125,109
- Additional tax @ 2.5% on additional income from Federal Government Securities		727,129	177,770
- Others		(47,223)	(48,974)
		897,205	253,905
Prior years - charge		805,723	549,048
Tax charge for the current year		<u>24,702,969</u>	<u>21,470,802</u>

32.2 The income tax returns of the Bank have been submitted up to and including the accounting year 2020. The tax returns submitted are deemed assessments under section 120 of the Income Tax Ordinance, 2001.

The Income Tax Department has amended the assessments of the Bank for prior years, upto and including the tax year 2018. The amendments mainly relate to retirement benefits and to provisions against loans and advances, investments, and other assets. These matters are at various stages of appeal with the appellate authorities. The management of the Bank, in consultation with its tax advisors, is confident that the decisions in respect of these appeals would be in the Bank's favor.

The income tax returns of the Bank's Azad Kashmir, Gilgit-Baltistan and overseas branches have been submitted up to and including the accounting year 2020. The tax returns submitted in Azad Kashmir and Gilgit Baltistan are considered as deemed assessments under section 120 of the Income Tax Ordinance, 2001.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

33	BASIC AND DILUTED EARNINGS PER SHARE	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
	Profit for the year		34,271,494	31,523,682
	Weighted average number of ordinary shares		(Number) 1,466,852,508	1,466,852,508
	Basic and diluted earnings per share		(Rupees) 23.36	21.49

33.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

34	CASH AND CASH EQUIVALENTS	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
	Cash and balances with treasury banks	5	409,528,880	347,988,749
	Balances with other banks	6	32,176,188	38,422,719
			441,705,068	386,411,468

34.1 Reconciliation of movement in liabilities to cash flows arising from financing activities

	2021			
	Liabilities		Equity	
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit
	(Rupees in '000)			
Balance as at January 1, 2021	22,356,000	119,953,785	63,040,638	129,262,746
Changes from financing cash flows				
Repayment of subordinated debt	(9,982,000)	-	-	-
Payment of lease liability against right-of-use assets	-	(4,421,977)	-	(10,855,155)
Dividend paid	-	-	-	(10,855,155)
	(9,982,000)	(4,421,977)	-	(10,855,155)
Other changes:				
Liability-related				
Changes in other liabilities				
- Cash based	-	15,817,822	-	-
- Dividend payable	-	1,246,377	-	(1,246,377)
- Non-cash based	-	11,312,888	-	-
Transfer of profit to statutory reserve	-	-	3,427,149	(3,427,149)
Total liability related other changes	-	28,377,087	3,427,149	(4,673,526)
Equity related	-	-	3,210,882	34,658,406
Balance as at December 31, 2021	12,374,000	143,908,895	69,678,669	148,392,471
	2020			
	Liabilities		Equity	
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit
	(Rupees in '000)			
Balance as at January 1, 2020	22,360,000	116,446,906	57,274,159	104,668,407
Changes from financing cash flows				
Repayment of subordinated debt	(4,000)	-	-	-
Payment of lease liability against right-of-use assets	-	(4,072,209)	-	(3,664,234)
Dividend paid	-	-	-	(3,664,234)
	(4,000)	(4,072,209)	-	(3,664,234)
Other changes:				
Liability-related				
Changes in other liabilities				
- Cash based	-	(248,794)	-	-
- Dividend payable	-	2,896	-	(2,896)
- Non-cash based	-	7,824,986	-	-
Transfer of profit to statutory reserve	-	-	3,152,368	(3,152,368)
Total liability related other changes	-	7,579,088	3,152,368	(3,155,264)
Equity related	-	-	2,614,111	31,413,837
Balance as at December 31, 2020	22,356,000	119,953,785	63,040,638	129,262,746

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

		2021	2020
		(Number)	
35	STAFF STRENGTH		
	Permanent	17,541	16,912
	On contract	50	42
	Total staff strength	<u>17,591</u>	<u>16,954</u>

35.1 In addition to the above, 3,082 employees (2020: 3,175 employees) of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than janitorial services and as guards.

		2021	2020
		(Number)	
35.2	Staff strength bifurcation		
	Domestic	17,011	16,351
	Overseas	580	603
		<u>17,591</u>	<u>16,954</u>

36 DEFINED BENEFIT PLANS AND OTHER BENEFITS

36.1 General Information

The Bank operates the following schemes:

36.1.1 Pension Fund (defined benefit scheme)

The Bank operates an approved pension scheme for those of its employees who opted for this scheme when it was introduced in 1977. This scheme is applicable to:

- All clerical employees
- Executives and officers who joined the Bank during the period from May 01, 1977 till December 31, 2001 and those who joined the Bank prior to introduction of the scheme and opted for this scheme when it was introduced.

For clerical employees, the benefit is based on their actual years of service as of the statement of financial position date and their current salary and for executives and officers, the benefit is based on their years of service up to March 31, 2005 and their basic salary as on March 31, 2014. For service subsequent to this date (i.e. from April 01, 2005), they are entitled to the Bank's contributory provident fund (refer note 37.1) and the Bank's contributory gratuity fund (refer note 37.2). Eligible employees are entitled to a certain minimum pension as per applicable rules.

36.1.2 Benevolent Fund (defined benefit scheme)

The Bank operates an approved funded benevolent fund scheme for all employees who retire from the Bank and who joined on or before December 31, 2018. Under this scheme, a fixed monthly contribution is made by employees by way of a salary deduction and a matching monthly contribution is made by the Bank. Post retirement, all eligible employees are entitled to receive a fixed monthly amount or a one-time lump sum payment in lieu of a fixed monthly amount, as per the rules of the Fund. Clerical employees are additionally entitled to certain grants during the period of their service subject to the fulfilment of certain conditions as specified in the rules of the Fund.

36.1.3 Post-Retirement Medical Benefits (defined benefit scheme)

The Bank operates a non-funded scheme for post-retirement medical benefits to all employees.

All clerical employees receive these benefits as reimbursements when incurred. Executives and officers who retired prior to January 1, 2006 also receive these benefits as reimbursements when incurred. Executives and officers who have retired from January 01, 2006 onwards receive lump sum payments as a full and final settlement in lieu of post-retirement medical benefits.

36.1.4 Compensated Absences (defined benefit scheme)

The Bank maintains a non-funded scheme for compensated absences. This is applicable to those employees who were in the service of the Bank as of December 31, 2008 and who had accumulated leave balances up to a maximum of 365 days as at that date. Employees are entitled to proceed on Leave Prior to Retirement (LPR) up to the amount of their accrued leave while continuing to receive their gross salary. This benefit vests on retirement or, in the case of premature retirement, on the completion of 30 years of service.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Employees may be required by the Bank to continue working during the whole or a part of their LPR period. Such employees are entitled to gross salary and certain benefits during the period they are required to work and, additionally, to leave encashment amounting to 50% of this period.

Clerical employees have the option of not proceeding on LPR and instead encashing 50% of their accumulated leave balance up to a maximum of 180 days.

36.1.5 Other Post-Retirement Benefits (defined benefit scheme)

The Bank offers an additional benefit to all executives on retirement. Under this scheme, a lump sum amount equal to six months of house rent allowance, utilities allowance, car benefit allowance and conveyance allowance is paid to the executive on retirement. However, in case of the death in service of an executive prior to retirement, the lump sum amount includes an additional six months of house rent allowance.

36.1.6 Pension and Life Assurance Scheme (defined benefit scheme)

The Bank operates a pension and life assurance scheme for those employees who joined its UK operations prior to December 26, 2001. The scheme was established with effect from May 01, 1978 under a Trust Deed of that date and is governed by that Trust Deed together with various supplemental and amending deeds executed over the lifetime of the scheme.

The triennial actuarial valuation as at May 01, 2019 revealed a deficit of £1.7 million under the Statement of Funding Principles (SFP). In order to address this deficit, the Bank is paying £50,500 per month for three years starting from September 1, 2020.

36.1.7 Other schemes

Employee benefit schemes offered by the Bank's overseas branches are governed by the laws of the respective countries in which the branches operate.

36.2 Principal actuarial assumptions

The latest actuarial valuation was carried out as at December 31, 2021 using the Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2021	2020
	(Per annum)	
Valuation discount rate	11.75%	9.75%
Expected rate of increase in salary level	10.75%	8.75%
Expected rate of increase in pension	5.00%	5.00%
Expected rate of increase in medical benefit	9.75%	7.75%
Expected rate of return on funds invested	11.75%	9.75%

36.3 Number of beneficiaries under the scheme	2021	2020
	(Number)	
Pension fund	6,636	6,705
Benevolent fund	14,631	15,379
Post-retirement medical benefit scheme	19,460	18,708
Compensated absences	3,405	3,975
Other Post-Retirement Benefits	2,494	2,188

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

36.4 Pension, gratuity, benevolent fund schemes and other benefits

36.4.1 The fair value of plan assets and the present value of defined benefit obligations of these schemes as at December 31, 2021 are as follows:

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value of plan assets	6,917,325	2,754,021	6,218,050	2,583,853
Present value of defined benefit obligations	(6,157,971)	(1,103,573)	(7,003,540)	(1,079,752)
Receivable / (Payable)	759,354	1,650,448	(785,490)	1,504,101

36.4.2 The present value of defined benefit obligations of non-funded schemes as at December 31, 2021 are as follows:

	2021			2020		
	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)					
Present value of defined benefit obligations	(4,557,833)	(2,177,565)	(667,894)	(3,763,654)	(2,492,992)	(585,038)

36.4.3 Movement in the present value of defined benefit obligations

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	7,003,540	1,079,752	3,763,654	2,492,992	585,038
Current service cost	78,909	33,695	156,356	63,683	106,377
Interest cost	673,653	102,679	366,095	227,677	59,070
Benefits paid by the Bank	(508,879)	(139,919)	(318,328)	(418,729)	(69,657)
Remeasurement (gains) / losses	(1,089,252)	27,366	590,056	(188,058)	(12,934)
Obligations at the end of the year	6,157,971	1,103,573	4,557,833	2,177,565	667,894

	2020				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	6,143,431	993,646	3,872,768	2,644,978	508,589
Current service cost	75,580	31,162	138,076	68,744	92,450
Interest cost	681,720	108,910	432,948	280,079	58,845
Benefits paid by the Bank	(461,582)	(139,344)	(286,937)	(430,515)	(73,503)
Remeasurement losses / (gains)	564,391	85,378	(393,201)	(70,294)	(1,343)
Obligations at the end of the year	7,003,540	1,079,752	3,763,654	2,492,992	585,038

36.4.4 Movement in fair value of plan assets

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value at the beginning of the year	6,218,050	2,583,853	5,565,467	2,372,581
Expected return on plan assets	597,047	242,664	620,075	255,987
Contribution by the Bank	785,490	33,420	577,964	38,752
Contributions by employees	-	33,420	-	38,752
Benefits paid by the Bank	(508,879)	(139,919)	(461,582)	(139,344)
Remeasurement (losses) / gains	(174,383)	583	(83,874)	17,125
Fair value at the end of the year	6,917,325	2,754,021	6,218,050	2,583,853

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Movement in amounts payable / (receivable)

36.4.5

Opening balance
Charge / (reversal) for the year
Contribution by the Bank - net
Remeasurement (gains) / losses
recognised in OCI during the year
Benefits paid by the Bank
Closing balance

2021				
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
(Rupees in '000)				
785,490	(1,504,101)	3,763,654	2,492,992	585,038
155,515	(139,710)	522,451	103,302	165,447
(785,490)	(33,420)	-	-	-
(914,869)	26,783	590,056	(418,729)	(12,934)
-	-	(318,328)	-	(69,657)
(759,354)	(1,650,448)	4,557,833	2,177,565	667,894

Opening balance
Charge / (reversal) for the year
Contribution by the Bank - net
Remeasurement losses / (gains)
recognised in OCI during the year
Benefits paid by the Bank
Excess funds return to Bank
Closing balance

2020				
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
(Rupees in '000)				
577,964	(1,378,935)	3,872,768	2,644,978	508,589
137,225	(154,667)	571,024	278,529	151,295
(577,964)	(38,752)	-	-	-
648,265	68,253	(393,201)	-	(1,343)
-	-	(286,937)	(430,515)	(73,503)
-	-	-	-	-
785,490	(1,504,101)	3,763,654	2,492,992	585,038

36.4.6 Charge for defined benefit plans

36.4.6.1 Cost recognised in profit and loss

Current service cost
Net interest on defined benefit asset / liability
Actuarial losses recognised
Contributions by the employees

2021				
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
(Rupees in '000)				
78,909	33,695	156,356	63,683	106,377
76,606	(139,985)	366,095	227,677	59,070
-	-	-	(188,058)	-
-	(33,420)	-	-	-
155,515	(139,710)	522,451	103,302	165,447

Current service cost
Net interest on defined benefit asset / liability
Actuarial losses recognised
Contributions by the employees

2020				
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
(Rupees in '000)				
75,580	31,162	138,076	68,744	92,450
61,645	(147,077)	432,948	280,079	58,845
-	-	-	(70,294)	-
-	(38,752)	-	-	-
137,225	(154,667)	571,024	278,529	151,295

36.4.6.2 Remeasurements recognised in OCI during the year

(Gains) / losses on obligation
- Financial assumptions
- Experience adjustment

Losses / (gains) on plan assets
Total remeasurement (gains) / losses recognised in OCI

2021			
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post-Retirement Benefits
(Rupees in '000)			
(864,893)	(74,841)	40,631	7,000
(224,359)	102,207	549,425	(19,934)
(1,089,252)	27,366	590,056	(12,934)
174,383	(583)	-	-
(914,869)	26,783	590,056	(12,934)

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2020			
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post-Retirement Benefits
	(Rupees in '000)			
(Gains) / losses on obligation				
- Financial assumptions	663,792	62,527	(26,683)	(4,638)
- Experience adjustment	(99,400)	22,851	(366,518)	3,295
	564,392	85,378	(393,201)	(1,343)
Losses / (gains) on plan assets	83,873	(17,125)	-	-
Total remeasurement losses / (gains) recognised in OCI	648,265	68,253	(393,201)	(1,343)

36.4.7 Components of fair value of plan assets

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Cash and cash equivalents - net	635,488	11,473	5,164	68,856
Government securities	5,431,704	2,675,335	5,253,313	2,448,137
Shares	850,133	-	959,573	-
Non-Government debt securities	-	67,214	-	66,860
	6,917,325	2,754,022	6,218,050	2,583,853

The funds primarily invest in Government securities (Market Treasury Bills, Pakistan Investment Bonds and Special Savings Certificates) which do not carry any credit risk but are subject to interest rate risk based on market movements. Equity securities are subject to price risk whereas non-Government debt securities are subject to both credit risk and interest rate risk. These risks are regularly monitored by the Trustees of the employee funds.

36.4.8 Sensitivity analysis of defined benefit obligations

A sensitivity analysis has been performed by varying one assumption while keeping all other assumptions constant and calculating the impact on the present value of defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of changes in each assumption is summarized below:

	2021				
	Pension Fund	Benevolent Fund	Post retirement medical benefit	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
1% increase in discount rate	(427,958)	(32,574)	(460,599)	(81,268)	(48,578)
1% decrease in discount rate	494,931	35,643	556,763	87,477	55,251
1% increase in expected rate of salary increase	98,497	-	-	97,301	58,509
1% decrease in expected rate of salary increase	(92,366)	-	-	(91,794)	(52,206)
1% increase in expected rate of increase in minimum pension	245,755	-	-	-	-
1% decrease in expected rate of increase in minimum pension	(206,020)	-	-	-	-
1% increase in expected rate of increase in medical benefit	-	-	172,806	-	-
1% decrease in expected rate of increase in medical benefit	-	-	(154,066)	-	-

36.4.9 Expected contributions to the schemes in the next financial year

The Bank contributes to the pension fund according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent fund scheme.

	2022				
	Pension Fund	Benevolent Fund	Post retirement medical benefit	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Expected charge / (reversal) for the year	(420,745)	(162,389)	715,328	300,015	206,882

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

36.4.10 Maturity profile

The weighted average duration of the obligation (in years)

2021				
Pension Fund	Benevolent Fund	Post retirement medical benefit	Employee compensated absences	Other Post-Retirement Benefits
<u>7.57</u>	<u>5.51</u>	<u>10.07</u>	<u>7.46</u>	<u>7.74</u>

36.4.11 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the assets of the Fund on any valuation date, based on actuarial assumptions.

36.4.12 The significant risks associated with the defined benefit schemes are as follows:

Mortality risks

The risk that the actual mortality experience is different. The impact depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk that the investments of the Funds will underperform and not be sufficient to meet the liabilities.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The impact depends on the beneficiaries' service / age distribution and the benefit.

37 DEFINED CONTRIBUTION PLANS

37.1 Provident Fund

For employees hired on or after January 01, 2002, the Bank operates an approved provident fund under which both the Bank and the employees make monthly contributions as follows:

For executives and officers	6% of basic salary
For clerical staff	12% of basic salary

Executives and officers hired upto December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for the Bank's contributory provident fund benefits effective April 1, 2005.

This scheme covers 14,991 employees (2020: 15,509 employees)

Payments are made to employees on retirement, death, resignation and discharge as specified in the rules of the Fund.

37.2 Contributory Gratuity Fund

For employees hired on or after January 01, 2002, the Bank operates an approved funded Bank contributory gratuity scheme. Executives and officers hired up to December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for gratuity fund benefits effective April 01, 2005.

The Bank contributes an amount equal to half of the employees' monthly basic salary for each completed year of service and, on a pro-rata basis for partially completed years of service. Payments are made to the employees on retirement, death, resignation after completion of at least 10 years of continuous service, and discharge as specified in the rules of the Fund.

This scheme covers 15,873 employees (2020: 15,100 employees).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

38 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

38.1 Total Compensation Expense

Total Compensation Expense				2021			
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non-Executive				
	(Rupees in '000)						
Fees and Allowances etc.	12,000	-	74,400	27,982	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	147,350	700,421	966,085
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	84,000	386,969	274,272
- Bonus paid in shares	-	-	-	-	10,916	54,397	22,716
- Guaranteed Bonus	-	-	-	-	-	-	4,264
Charge for defined benefit plan	-	-	-	-	-	-	1,055
Contribution to defined contribution plan	-	-	-	-	-	34,758	61,272
Rent & house maintenance	-	-	-	-	16,625	209,555	307,365
Utilities	-	-	-	-	1,425	44,168	64,918
Medical	-	-	-	-	1,818	48,035	61,729
Conveyance	-	-	-	-	3,529	80,874	236,562
Others	-	-	-	-	-	-	431
Sub-Total	12,000	-	74,400	27,982	265,663	1,559,177	2,000,669
Sign-on bonus	-	-	-	-	-	-	12,000
Grand Total	12,000	-	74,400	27,982	265,663	1,559,177	2,012,669
Total Number of persons	1	-	7	3	1	28	131
Sign-on bonus - Number of Persons	-	-	-	-	-	-	1
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	2
2020							
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non-Executive				
	(Rupees in '000)						
Fees and Allowances etc.	12,600	-	71,400	12,807	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	138,669	712,970	1,019,471
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	63,000	337,250	211,946
- Guaranteed Bonus	-	-	-	-	-	-	2,699
Charge for defined benefit plan	-	-	-	-	-	-	1,814
Contribution to defined contribution plan	-	-	-	-	-	31,748	58,140
Rent & house maintenance	-	-	-	-	12,900	191,784	284,814
Utilities	-	-	-	-	1,229	41,577	60,763
Medical	-	-	-	-	2,632	41,500	59,971
Conveyance	-	-	-	-	3,992	67,319	213,443
Others	-	-	-	-	-	-	43
Sub-Total	12,600	-	71,400	12,807	222,422	1,424,148	1,913,104
Sign-on bonus	-	-	-	-	-	78,000	23,000
Severance Payments	-	-	-	-	-	26,510	-
Grand Total	12,600	-	71,400	12,807	222,422	1,528,658	1,936,104
Total Number of persons	1	-	5	3	1	28	135
Sign-on bonus - Number of Persons	-	-	-	-	-	2	6
Severance payments - Number of Persons	-	-	-	-	-	1	-
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	1

38.1.1 The total movement of deferred bonus during the year December 31, 2021 for the President / Chief Executive Officer (CEO), Key Management Personnel and Other Material Risk Takers (MRTs) / Material Risk Controllers (MRCs) is as follows:

	2021 (Rupees in '000)	2020
Opening balance	256,626	-
Add: deferred during the year	316,229	256,626
Less: paid / vested during the year	(82,496)	-
Less: reversed during the year	(10,761)	-
Closing balance	479,598	256,626

The CEO and certain Executives are provided with free club memberships. The CEO and the Chief Operating Officer (COO) are also provided with free use of Bank maintained cars in accordance with their entitlements.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

38.2 Remuneration paid to Directors for participation in Board and Committee Meetings

2021											
Sr. No.	Name of Director	Meeting Fees and Allowances Paid									
		For Board Meetings	For Board Committees								
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)**	Board Oversight Committee - International Governance (BOC IG)	Total Amount Paid
(Rupees in '000)											
1	Mr. Sultan Ali Allana	5,400	-	-	-	3,000	-	1,200	-	2,400	12,000
2	Mr. Khaleel Ahmed**	3,000	3,000	-	3,000	1,800	-	600	-	-	11,400
3	Mr. Salim Chinoy*	600	600	-	600	-	-	-	-	-	1,800
4	Mr. Shaffiq Dharamshi***	-	-	-	-	-	-	-	-	-	-
5	Mr. Moez Ahamed Jamal	5,400	4,800	-	4,800	-	1,800	-	1,800	-	18,600
6	Ms. Saba Kamal**	3,000	-	-	-	-	1,800	1,800	-	-	6,600
7	Ms. Diane Elizabeth Moore*	600	-	-	600	-	600	-	-	-	1,800
8	Mr. Salim Raza	5,400	1,200	3,600	-	600	2,400	1,800	1,800	-	16,800
9	Dr. Najeeb Samie	5,400	4,800	-	-	3,000	-	-	1,800	2,400	17,400
	Total Amount Paid	28,800	14,400	3,600	9,000	8,400	6,600	5,400	5,400	4,800	86,400

* Ms. Diane Elizabeth Moore & Mr. Salim Chinoy retired from the Board on March 26, 2021 at the conclusion of their terms.

** Ms. Saba Kamal & Mr. Khaleel Ahmed assumed charge as Directors on April 29, 2021.

*** Mr. Shaffiq Dharamshi is an employee of AKFED (the parent company of the Bank) and is not paid meeting fees or any other allowances.

2020											
Sr. No.	Name of Director	Meeting Fees and Allowances Paid									
		For Board Meetings	For Board Committees								Total Amount Paid
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)	Board Oversight Committee - International Governance (BOC IG)	
(Rupees in '000)											
1	Mr. Sultan Ali Allana	4,800	-	-	-	3,000	-	1,800	-	3,000	12,600
2	Mr. Salim Chinoy	4,800	4,800	-	4,800	-	-	-	-	-	14,400
3	Mr. Shaffiq Dharamshi*	-	-	-	-	-	-	-	-	-	-
4	Mr. Moez Ahamed Jamal	4,800	4,800	-	4,800	-	-	-	600	-	15,000
5	Ms. Diane Elizabeth Moore	4,800	-	-	4,800	-	2,400	-	-	-	12,000
6	Mr. Salim Raza	4,800	-	4,200	-	-	2,400	1,800	600	-	13,800
7	Dr. Najeeb Samie	4,800	4,800	-	-	3,000	-	-	600	3,000	16,200
Total Amount Paid		28,800	14,400	4,200	14,400	6,000	4,800	3,600	1,800	6,000	84,000

In addition to the above, as per the Bank's policy, Rs 0.925 million was also paid to the Directors on account of daily allowance for attending Board and Committee meetings during the year.

* Mr. Shaffiq Dharamshi is an employee of AKFED (the parent company of the Bank) and is not paid meeting fees or any other allowances.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

38.3 Remuneration paid to Shariah Board Members

Items	2021				2020			
	Chairman	Resident Member	Non-Resident Member	Total	Chairman	Resident Member	Non-Resident Member	Total
----- (Rupees in '000) -----								
Fixed Remuneration	9,600	8,175	9,000	26,775	4,200	3,886	3,600	11,686
Allowances	119	1,002	86	1,207	50	1,071	-	1,121
Total Amount	<u>9,719</u>	<u>9,177</u>	<u>9,086</u>	<u>27,982</u>	<u>4,250</u>	<u>4,957</u>	<u>3,600</u>	<u>12,807</u>
Total Number of Persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>

39 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments, are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

All assets and liabilities for which fair value is measured or disclosed in these unconsolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Fair value measurements using inputs, other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements using inputs that are not based on observable market data.

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Investments in non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Investments in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg / Reuters.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Bank enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

39.1 Fair value of financial assets

The following table provides the fair values of those of the Bank's financial assets and liabilities that are recognised or disclosed at fair value in these unconsolidated financial statements:

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

As at December 31, 2021					
On balance sheet financial instruments	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,410,064,781	-	1,410,064,781	-	1,410,064,781
- Shares - listed companies	6,944,521	6,944,521	-	-	6,944,521
- Non-Government debt securities					
- Listed	52,060,015	40,600,000	11,460,015	-	52,060,015
- Unlisted	624,000	-	624,000	-	624,000
- Foreign securities					
- Government debt securities	58,177,418	-	58,177,418	-	58,177,418
- Non-Government debt securities- listed	6,991,481	-	6,991,481	-	6,991,481
- National Investment Unit Trust units	46,448	-	46,448	-	46,448
- Real Estate Investment Trust units	60,800	60,800	-	-	60,800
- Preference Shares -Listed	780,500	780,500	-	-	780,500
	1,535,749,964	48,385,821	1,487,364,143	-	1,535,749,964
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	296,306,630	-	281,187,106	-	281,187,106
- Non-Government debt securities					
- Listed	2,365,422	-	2,376,486	-	2,376,486
- Unlisted	18,348,917	-	18,428,015	-	18,428,015
- Foreign securities					
- Government debt securities	14,672,889	-	14,823,285	-	14,823,285
- Non-Government debt securities					
- Listed	260,893	-	316,157	-	316,157
- Unlisted	614,541	-	612,981	-	612,981
- Associates and Joint venture	9,345,200	24,846,843	2,737,185	-	27,584,028
	341,914,492	24,846,843	320,481,215	-	345,328,058
	1,877,664,456	73,232,664	1,807,845,358	-	1,881,078,022
As at December 31, 2021					
Off-balance sheet financial instruments - measured at fair value	Notional Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Commitments					
- Forward foreign exchange contracts	560,033,923	-	1,575,160	-	1,575,160
- Forward Government securities transactions	93,562,463	-	200,063	-	200,063
- Derivative instruments	42,049,128	-	(2,373,349)	-	(2,373,349)
As at December 31, 2020					
On balance sheet financial instruments	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,518,270,016	-	1,518,270,016	-	1,518,270,016
- Shares - listed companies	5,985,004	5,985,004	-	-	5,985,004
- Non-Government debt securities					
- Listed	47,265,405	40,240,000	7,025,405	-	47,265,405
- Unlisted	622,500	-	622,500	-	622,500
- Foreign securities					
- Government debt securities	40,219,455	-	40,219,455	-	40,219,455
- Non-Government debt securities- listed	3,553,703	-	3,553,703	-	3,553,703
- National Investment Unit Trust units	46,839	-	46,839	-	46,839
- Real Estate Investment Trust units	53,000	53,000	-	-	53,000
- Preference shares - Listed	855,400	855,400	-	-	855,400
	1,616,871,322	47,133,404	1,569,737,918	-	1,616,871,322
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	227,463,214	-	227,554,478	-	227,554,478
- Non-Government debt securities					
- Listed	4,277,922	-	4,304,568	-	4,304,568
- Unlisted	16,209,049	-	16,209,049	-	16,209,049
- Foreign securities					
- Government debt securities	13,617,532	-	15,850,104	-	15,850,104
- Non-Government debt securities					
- Listed	382,489	-	430,226	-	430,226
- Unlisted	311,326	-	312,842	-	312,842
- Associates and Joint venture	9,040,549	27,994,673	3,047,704	-	31,042,377
	271,302,081	27,994,673	267,708,971	-	295,703,644
	1,888,173,403	75,128,077	1,837,446,889	-	1,912,574,966
As at December 31, 2020					
Off-balance sheet financial instruments - measured at fair value	Notional Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Commitments					
- Forward foreign exchange contracts	405,885,132	-	(2,637,586)	-	(2,637,586)
- Forward Government securities transactions	150,757,178	-	(52,974)	-	(52,974)
- Derivative instruments	38,504,637	-	(1,266,883)	-	(1,266,883)

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

39.2 Fair value of non-financial assets

	As at December 31, 2021				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land and Building	52,925,664	-	-	52,925,664	52,925,664
Non-banking assets acquired in satisfaction of claims	680,986	-	-	680,986	680,986
	53,606,650	-	-	53,606,650	53,606,650

	As at December 31, 2020				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land and Building	52,560,430	-	-	52,560,430	52,560,430
Non-banking assets acquired in satisfaction of claims	639,379	-	-	639,379	639,379
	53,199,809	-	-	53,199,809	53,199,809

40 SEGMENT INFORMATION

40.1 Segment Details with respect to business activities

For the year ended December 31, 2021								
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspon- dent banking	Head office / others	Total
(Rupees in million)								
Profit and loss account								
Net mark-up / return / profit / interest income	(59,926)	28,226	11,748	32,171	107,291	3,263	(1,826)	120,947
Inter segment revenue / (expense) - net	102,773	(13,743)	-	(15,728)	(85,928)	4,009	8,617	-
Non mark-up / interest income	4,151	10,483	653	4,021	6,734	3,333	1,349	30,724
Total income	46,998	24,966	12,401	20,464	28,097	10,605	8,140	151,671
Segment direct expenses	22,000	9,866	3,382	2,548	1,228	11,104	36,216	86,344
Inter segment expense allocation	13,793	5,900	939	9,141	984	1,256	(32,013)	-
Total expenses	35,793	15,766	4,321	11,689	2,212	12,360	4,203	86,344
Provisions - charge / (reversal)	296	1,797	(22)	1,441	(1,021)	2,694	1,168	6,353
Profit / (loss) before tax	10,909	7,403	8,102	7,334	26,906	(4,449)	2,769	58,974
As at December 31, 2021								
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspon- dent banking	Head office / others	Total
(Rupees in million)								
Statement of financial position								
Cash and bank balances	181,994	-	29,178	364	151,013	79,156	-	441,705
Lendings to financial institutions	-	-	28,672	-	65,070	-	-	93,742
Inter segment lending	1,594,867	-	-	-	-	266,460	144,415	2,005,742
Investments	-	-	191,865	8,822	1,566,568	115,350	22,584	1,905,189
Advances - performing	-	199,979	166,056	746,323	-	242,992	24,116	1,379,466
Advances - non-performing	-	1,503	3	2,403	-	1,174	-	5,083
Others	18,762	2,838	17,592	41,047	44,735	15,078	109,351	249,403
Total assets	1,795,623	204,320	433,366	798,959	1,827,386	720,210	300,466	6,080,330
Borrowings	-	2,830	31,568	119,175	140,787	137,902	-	432,262
Subordinated debt	-	-	-	-	-	-	12,374	12,374
Deposits and other accounts	1,777,354	374	346,895	519,884	122	528,259	11,373	3,184,261
Inter segment borrowing	-	194,287	11,440	124,508	1,675,507	-	-	2,005,742
Others	18,269	6,829	15,654	35,392	14,139	22,881	74,599	187,763
Total liabilities	1,795,623	204,320	405,557	798,959	1,830,555	689,042	98,346	5,822,402
Equity	-	-	27,809	-	(3,169)	31,168	202,120	257,928
Total equity and liabilities	1,795,623	204,320	433,366	798,959	1,827,386	720,210	300,466	6,080,330
Contingencies and commitments	60,144	-	56,741	463,954	601,350	138,579	38,410	1,359,178

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

For the year ended December 31, 2020

	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspon- dent banking	Head office / others	Total
(Rupees in million)								
Profit and loss account								
Net mark-up / return / profit / interest income	(71,459)	25,449	12,414	38,471	117,575	4,520	(4,918)	122,052
Inter segment revenue / (expense) - net	121,878	(13,763)	-	(23,270)	(96,858)	3,028	8,985	-
Non mark-up / interest income	3,647	6,193	376	3,360	10,439	2,264	(536)	25,743
Total income	54,066	17,879	12,790	18,561	31,156	9,812	3,531	147,795
Segment direct expenses	25,491	7,366	1,783	3,398	1,333	16,854	28,351	84,576
Inter segment expense allocation	12,646	1,796	635	1,678	271	7,128	(24,154)	-
Total expenses	38,137	9,162	2,418	5,076	1,604	23,982	4,197	84,576
Provisions - charge / (reversal)	73	2,160	907	3,034	(1,215)	5,134	131	10,224
Profit / (loss) before tax	15,856	6,557	9,465	10,451	30,767	(19,304)	(797)	52,995

As at December 31, 2020

	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspon- dent banking	Head office / others	Total
(Rupees in million)								
Statement of financial position								
Cash and bank balances	179,590	-	12,771	293	125,940	67,818	-	386,412
Lendings to financial institutions	-	-	5,257	-	24,897	-	-	30,154
Inter segment lending	1,430,513	-	91	-	-	183,892	145,705	1,760,201
Investments	-	-	139,619	8,675	1,660,147	81,305	22,492	1,912,238
Advances - performing	-	163,801	153,152	618,911	-	156,054	17,020	1,108,938
Advances - non-performing	-	1,960	211	4,308	-	1,902	2	8,383
Others	15,636	3,946	7,295	25,006	30,760	24,639	90,305	197,587
Total assets	1,625,739	169,707	318,396	657,193	1,841,744	515,610	275,524	5,403,913
Borrowings	-	4,011	32,183	100,397	324,181	79,323	-	540,095
Subordinated debt	-	-	-	-	-	-	22,356	22,356
Deposits and other accounts	1,607,921	348	257,414	430,203	9	365,484	8,112	2,669,491
Inter segment borrowing	-	159,043	-	98,870	1,502,288	-	-	1,760,201
Others	17,818	6,305	6,032	27,723	8,804	44,329	58,034	169,045
Total liabilities	1,625,739	169,707	295,629	657,193	1,835,282	489,136	88,502	5,161,188
Equity	-	-	22,767	-	6,462	26,474	187,022	242,725
Total equity and liabilities	1,625,739	169,707	318,396	657,193	1,841,744	515,610	275,524	5,403,913
Contingencies and commitments	13,108	-	9,416	321,938	551,311	63,568	28,891	988,232

40.2 Segment details with respect to geographical locations

For the year ended December 31, 2021

	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
(Rupees in million)					
Profit and loss account					
Net mark-up / return / profit / interest income	113,794	4,028	2,675	450	120,947
Non mark-up / interest income	28,358	1,181	1,023	162	30,724
Total income	142,152	5,209	3,698	612	151,671
Segment direct expenses	75,675	6,182	3,910	577	86,344
Provisions - charge	3,669	2,136	471	77	6,353
Profit / (loss) before tax	62,808	(3,109)	(683)	(42)	58,974

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	As at December 31, 2021				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	(Rupees in million)				
Statement of financial position					
Cash and bank balances	363,075	53,525	19,355	5,750	441,705
Lendings to financial institutions	93,743	-	-	-	93,743
Investments	1,800,149	62,582	42,458	-	1,905,189
Advances - performing	1,175,296	139,482	56,687	8,001	1,379,466
Advances - non-performing	3,909	879	273	22	5,083
Others	198,186	47,116	1,785	2,316	249,403
Total assets	3,634,358	303,584	120,558	16,089	4,074,589
Borrowings	294,360	107,173	21,555	9,174	432,262
Subordinated debt	12,374	-	-	-	12,374
Deposits and other accounts	2,965,878	159,295	55,593	3,495	3,184,261
Others	247,801	(78,739)	21,110	(2,409)	187,763
Total liabilities	3,520,413	187,729	98,258	10,260	3,816,660
Equity	113,945	115,855	22,300	5,829	257,929
Total equity and liabilities	3,634,358	303,584	120,558	16,089	4,074,589
Contingencies and commitments	1,221,341	74,199	33,697	29,941	1,359,178

	For the year ended December 31, 2020				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	(Rupees in million)				
Profit and loss account					
Net mark-up / return / profit / interest income	115,783	3,837	2,120	312	122,052
Non mark-up / interest income	24,143	1,376	(77)	301	25,743
Total income	139,926	5,213	2,043	613	147,795
Segment direct expenses	73,786	6,866	3,419	505	84,576
Provisions - charge / (reversal)	5,270	3,958	971	25	10,224
Profit / (loss) before tax	60,870	(5,611)	(2,347)	83	52,995

	As at December 31, 2020				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	(Rupees in million)				
Statement of financial position					
Cash and bank balances	319,124	38,343	21,995	6,950	386,412
Lendings to financial institutions	30,154	-	-	-	30,154
Investments	1,838,744	40,538	32,956	-	1,912,238
Advances - performing	978,055	99,131	25,536	6,216	1,108,938
Advances - non-performing	6,481	1,010	852	40	8,383
Others	151,836	41,924	2,735	1,092	197,587
Total assets	3,324,394	220,946	84,074	14,298	3,643,712
Borrowings	460,772	68,234	5,487	5,602	540,095
Subordinated debt	22,356	-	-	-	22,356
Deposits and other accounts	2,511,990	117,369	36,324	3,808	2,669,491
Others	158,296	3,273	5,943	1,533	169,045
Total liabilities	3,153,414	188,876	47,754	10,943	3,400,987
Equity	170,980	32,070	36,320	3,355	242,725
Total equity and liabilities	3,324,394	220,946	84,074	14,298	3,643,712
Contingencies and commitments	925,335	44,376	16,497	2,024	988,232

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

41 TRUST ACTIVITIES

The Bank undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in these unconsolidated financial statements. Assets held under trust are shown in the table below:

As at December 31, 2021					
Category	No. of IPS Accounts	Securities Held (Face Value)			Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Asset Management companies	-	-	-	-	-
Charitable institutions	2	67,535	170,000	-	237,535
Companies	78	62,335,205	25,473,600	44,100	87,852,905
Employee funds	65	14,788,950	27,368,480	-	42,157,430
Individuals	164	6,624,450	2,650,238	4,900	9,279,588
Insurance companies	4	36,331,625	404,400,900	9,035,100	449,767,625
Non-Government organizations	-	-	-	-	-
Others	16	4,220,625	1,523,100	-	5,743,725
Total	329	124,368,390	461,586,318	9,084,100	595,038,808

As at December 31, 2020					
Category	No. of IPS Accounts	Securities Held (Face Value)			Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Asset Management companies	5	72,000	75,000	49,500	196,500
Charitable institutions	2	40,000	170,000	-	210,000
Companies	66	24,238,125	49,761,200	-	73,999,325
Employee funds	67	17,808,665	20,016,780	-	37,825,445
Individuals	126	3,971,220	1,675,768	-	5,646,988
Insurance companies	5	18,338,340	299,671,600	8,138,200	326,148,140
Non-Government organizations	1	10,135	-	-	10,135
Others	14	3,910,950	819,400	-	4,730,350
Total	286	68,389,435	372,189,748	8,187,700	448,766,883

42 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, subsidiaries, associated companies, joint venture and employee benefit schemes of the Bank.

Transactions with related parties, other than those under terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Details of transactions and balances with related parties as at the year end are as follows:

	As at December 31, 2021					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture Other related parties
Statement of financial position	(Rupees in '000)					
Balances with other banks						
In current accounts	-	-	374	235,105	-	-
Investments						
Opening balance	-	-	-	17,614,626	9,161,114	135,665
Investment made during the year	-	-	-	2,000,000	650,000	-
Investment redeemed / disposed off during the year	-	-	-	(23,236)	(345,348)	-
Revaluation of investment during the year	-	-	-	500,374	-	(391)
Closing balance	-	-	-	20,091,764	9,465,766	135,665
Advances						
Opening balance	249	305,836	4,504,528	2,073,885	1,125,000	-
Addition during the year	19,023	372,347	2,013,784	1,720,019	895,993	-
Repaid during the year	(19,021)	(264,932)	(2,782,029)	(1,688,225)	(250,000)	-
Transfer in / (out) - net	276	34,006	-	-	-	-
Exchange adjustment	-	(250)	265,109	(13,158)	74,818	-
Closing balance	527	447,007	4,001,392	2,092,521	1,845,811	-
Other Assets						
Interest / mark-up accrued	-	552	68,780	179,118	16,130	-
Receivable from defined benefit plan	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-
	-	552	68,780	179,118	16,130	-
Borrowings						
Opening balance	-	-	3,200,856	468,382	959,006	1,598,344
Borrowings during the year	-	-	4,216,030	2,327,678	7,564,980	6,516,419
Settled during the year	-	-	(3,258,210)	(2,366,193)	(6,027,688)	(8,145,524)
Transfer in - net	-	-	-	-	-	-
Exchange adjustment	-	-	343,045	45,660	148,912	30,761
Closing balance	-	-	4,501,721	475,527	2,645,210	-
Deposits and other accounts						
Opening balance	20,794	447,740	7,288,452	1,087,262	36,293,203	-
Received during the year	260,411	2,277,862	445,766,161	412,224,268	1,001,182,265	-
Withdrawn during the year	(242,044)	(2,000,383)	(442,983,490)	(406,949,534)	(986,870,955)	-
Transfer (out) / in - net	3,118	(267,073)	-	-	-	-
Exchange adjustment	103	10,215	748,908	(47,531)	514	-
Closing balance	42,382	468,361	10,820,031	6,314,465	50,605,027	-
Other liabilities						
Interest / mark-up payable	1	723	6,255	908	40,182	-
Payable to Defined Benefit Plan	-	-	-	-	-	-
Other payables	-	-	4,150	18,784	43,601	-
	1	723	10,405	19,692	83,783	-
Contingencies and Commitments						
Letter of credit	-	-	910,308	-	-	-
Guarantees	-	-	167,204	55,672	-	-
Forward purchase of Government securities	-	-	630,652	-	-	-
Commitment in respect of Forward Foreign Currency	-	-	-	282,422	-	-
Commitment in respect Forward lending	-	-	-	-	-	-
Interest rate swaps	-	-	564,808	-	875,000	-
	-	-	2,272,972	338,094	875,000	-
Others						
Securities held as custodians	-	12,920	5,326,720	-	77,701,130	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

For the year ended December 31, 2021							
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
	(Rupees in '000)						
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	-	20,702	193,987	417,751	102,272	-	804,089
Fee and commission income	-	-	180,591	32,820	897,191	392	20,374
Dividend income	-	-	-	-	448,878	145,181	155,337
Foreign exchange gain	-	-	-	308,305	-	-	-
Loss from derivatives	-	-	(3,306)	-	(43,326)	-	-
Gain on sale of securities - net	-	-	-	-	438,220	-	-
Rent on properties	-	-	-	42,699	-	-	-
Other income	-	-	-	33,707	-	-	-
Expense							
Mark-up / return / profit / interest expensed	291	12,209	107,381	29,015	1,298,782	20,998	242,910
Operating expenses							
Total compensation expense	-	1,824,840	-	-	-	-	1,084,888
Non-Executive Directors' fees	86,400	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,539,625	-	-
Product feature cost	-	-	194,372	-	-	-	-
Travelling	-	-	6,656	-	-	-	-
Subscription	-	-	-	-	-	-	77,584
Donation	-	-	77,230	-	-	-	405,576
Brokerage and Commission	-	-	-	-	-	-	212,274
Other expenses	-	-	-	347,726	-	-	25,572
Others							
Purchase of Government securities	-	-	337,325,673	1,995,995	54,769,108	-	16,885,974
Sale of Government securities	-	56,883	346,902,828	26,439,135	32,529,676	-	27,793,467
Purchase of foreign currencies	-	-	3,004,944	1,359,398	3,018	-	2,857,263
Sale of foreign currencies	-	-	3,280,543	9,275,090	222,000	-	5,732,637
Insurance claims settled	-	-	-	-	81,504	-	-
As at December 31, 2020							
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
	(Rupees in '000)						
Statement of financial position							
Balances with other banks							
In current accounts	-	-	25,483	362,924	-	4,074	-
Investments							
Opening balance	-	-	-	18,590,630	9,276,448	135,665	4,711,517
Investment made during the year	-	-	-	500,000	-	-	-
Investment redeemed / disposed off during the year	-	-	-	(1,625,607)	(115,334)	-	-
Revaluation of investment during the year	-	-	-	-	-	-	68,121
Exchange adjustment	-	-	-	149,603	-	-	-
Closing balance	-	-	-	17,614,626	9,161,114	135,665	4,779,638
Advances							
Opening balance	1,144	302,682	3,853,355	52,035	1,375,000	-	7,924,895
Addition during the year	10,157	222,404	7,294,502	2,141,455	-	-	7,668,197
Repaid during the year	(11,062)	(162,557)	(6,729,728)	(121,823)	(250,000)	-	(6,242,581)
Transfer in / (out) - net	10	(56,693)	-	-	-	-	(1,601,517)
Exchange adjustment	-	-	86,399	2,218	-	-	-
Closing balance	249	305,836	4,504,528	2,073,885	1,125,000	-	7,748,994
Other Assets							
Interest / mark-up accrued	-	710	23,444	92,882	30,556	-	198,970
Other receivable	-	-	-	-	305,198	-	3,335
	-	710	23,444	92,882	335,754	-	202,305
Borrowings							
Opening balance	-	-	2,475,576	4,187,854	929,086	1,548,476	-
Borrowings during the year	-	-	6,992,840	6,016,905	2,913,226	4,855,377	500,000
Settled during the year	-	-	(6,473,832)	(9,919,751)	(2,913,226)	(4,855,377)	(5,691)
Exchange adjustment	-	-	206,272	183,374	29,920	49,868	-
Closing balance	-	-	3,200,856	468,382	959,006	1,598,344	494,309

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

As at December 31, 2020							
Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties	
(Rupees in '000)							
Deposits and other accounts							
Opening balance	26,259	192,845	7,803,875	1,076,088	11,245,324	-	716,890
Received during the year	223,185	2,338,236	234,970,772	206,571,000	651,783,633	-	60,058,254
Withdrawn during the year	(233,311)	(2,123,153)	(235,783,141)	(206,561,582)	(626,730,063)	-	(59,090,555)
Transfer in / (out) - net	4,619	35,680	-	-	-	-	(3,237)
Exchange adjustment	42	4,132	296,946	1,756	(5,691)	-	2,791
Closing balance	20,794	447,740	7,288,452	1,087,262	36,293,203	-	1,684,143
Other liabilities							
Interest / mark-up payable	10	1,734	52,208	1,715	128,470	6,251	8,048
Payable to Defined Benefit Plan	-	-	-	-	-	-	1,182,639
Other payables	-	-	1,511	18	33,615	-	315,431
	10	1,734	53,719	1,733	162,085	6,251	1,506,118
Contingencies and Commitments							
Letter of credit	-	-	145,085	-	-	-	1,576,326
Guarantees	-	-	134,121	4,320	-	-	3,419,047
Forward purchase of Government securities	-	-	861,632	-	-	-	316,416
Commitment in respect of Forward lending	-	-	-	-	-	-	2,524,426
Interest rate swaps	-	-	859,491	-	1,125,000	-	-
	-	-	2,000,329	4,320	1,125,000	-	7,836,215
Others							
Securities held as custodians	-	17,745	5,457,675	-	30,978,500	-	13,662,385
For the year ended December 31, 2020							
Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties	
(Rupees in '000)							
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	-	22,866	306,870	332,424	250,523	-	1,086,137
Fee and commission income	-	-	122,969	35,044	1,092,473	352	42,573
Dividend income	-	-	-	-	668,527	518,967	85,633
Foreign exchange gain	-	-	-	260,682	-	-	-
Loss from derivatives	-	-	(20,978)	-	(19,556)	-	-
Gain on sale of securities - net	-	-	-	-	34,666	-	-
Rent on properties	-	-	-	38,339	-	-	-
Other income	-	-	-	7,028	-	-	-
Expense							
Mark-up / return / profit / interest expensed	102	8,116	296,701	65,382	796,997	26,085	75,285
Operating expenses							
Total compensation expense	-	1,751,080	-	-	-	-	1,312,361
Non-Executive Directors' fees	84,000	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,277,349	-	-
Advertisement and publicity	-	-	105,850	-	-	-	-
Travelling	-	-	15,907	-	-	-	-
Subscription	-	-	-	-	-	-	59,868
Donation	-	-	157,360	-	-	-	315,431
Brokerage and Commission	-	-	-	-	-	-	197,720
Other expenses	-	-	7,450	40,965	-	-	17,785
Reversal of provision against advances	-	-	-	-	-	-	(124,920)
Others							
Purchase of Government securities	-	-	155,206,248	-	26,699,197	-	8,586,622
Sale of Government securities	-	31,716	160,624,591	3,616,705	85,382,672	-	12,496,840
Purchase of foreign currencies	-	-	1,792,352	13,703,571	3,867	-	1,864
Sale of foreign currencies	-	-	2,817,044	8,098,306	130,800	-	6,505,372
Insurance claims settled	-	-	-	-	195,894	-	-

42.1 Balances and transactions with group entities include deposits of Rs 0.554 million (2020: Rs 0.296 million) from the parent and Rs 1.814 thousand (2020: Rs 4.223 thousand) as mark-up expense thereon.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

2021 2020
(Rupees in '000)

14,668,525 14,668,525

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

193,371,438	172,940,364
10,428,514	10,438,063
203,799,952	183,378,427
58,372,958	54,025,763
<u>262,172,910</u>	<u>237,404,190</u>

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

1,217,657,907	935,446,560
92,254,538	109,134,799
212,268,669	191,948,129
<u>1,522,181,114</u>	<u>1,236,529,488</u>

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

<u>12.70%</u>	<u>13.99%</u>
<u>13.39%</u>	<u>14.83%</u>
<u>17.22%</u>	<u>19.20%</u>

Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)

of which: capital conservation buffer requirement

of which: countercyclical buffer requirement

of which: D-SIB buffer requirement

CET1 available to meet buffers (as a percentage of risk weighted assets)

9.50%	9.50%
1.50%	1.50%
-	-
2.00%	2.00%
6.70%	7.99%

Other information:

Minimum capital requirements prescribed by the SBP

CET1 minimum ratio (%)

Tier 1 minimum ratio (%)

Total capital minimum ratio (%)

9.50%	9.50%
11.00%	11.00%
13.50%	13.50%

2021 2020
(Rupees in '000)

Leverage Ratio (LR)

Eligible Tier-1 Capital

Total Exposures

Leverage Ratio (%)

203,799,952	183,378,427
4,470,420,642	4,167,230,907
<u>4.56%</u>	<u>4.40%</u>

Minimum Requirement (%)

<u>3.00%</u>	<u>3.00%</u>
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2021 2020
Total Adjusted Value
(Rupees in '000)

Liquidity Coverage Ratio (LCR)

Average High Quality Liquid Assets

Average Net Cash Outflow

Liquidity Coverage Ratio (%)

1,477,650,149	1,343,833,391
638,366,023	525,626,841
<u>231.47%</u>	<u>255.66%</u>

Minimum Requirement (%)

<u>100.00%</u>	<u>100.00%</u>
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2021 2020
Total Weighted Value
(Rupees in '000)

Net Stable Funding Ratio (NSFR)

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio (%)

3,046,911,457	2,637,965,349
1,964,571,726	1,448,252,363
<u>155.09%</u>	<u>182.15%</u>

Minimum Requirement (%)

<u>100.00%</u>	<u>100.00%</u>
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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The SBP, through BPRD circular 12, dated March 26, 2020 has provided the following relaxations to banks to enable them to continue providing credit to the real economy:

- The Capital Conservation Buffer (CCB) has been reduced from 2.50% to 1.50%. This has resulted in a 1.00% decline in capital adequacy requirements for all tiers.
- The regulatory retail portfolio limit has been increased from Rs 125 million to Rs 180 million.

43.1 Capital management

The Bank's policy is to maintain a strong capital base so as to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The Bank's lead regulator, the SBP, sets and monitors capital requirements for the Bank as a whole. The Bank's branches outside Pakistan are also required to follow capital requirements applicable in their respective jurisdictions.

The SBP, through BSD Circular No. 07 dated April 15, 2009 has required that Banks should maintain a minimum paid-up capital of Rs. 10 billion (net of accumulated losses). The paid-up capital of the Bank as at December 31, 2021 stood at Rs 14.669 billion (2020: Rs. 14.669 billion) and is in compliance with SBP requirements.

The Bank and its individually regulated operations have complied with all capital requirements.

The Bank's regulatory capital is classified as follows:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.
- CET1 capital includes fully paid-up capital, balance in share premium account, reserves (excluding exchange translation reserves) and unappropriated profit meeting the eligibility criteria.
- AT 1 capital includes perpetual TFCs meeting the prescribed SBP criteria.
- Tier 2 capital includes general provisions for loan losses, surplus / (deficit) on revaluation of fixed assets and investments, exchange translation reserves and subordinated debt (meeting the eligibility criteria).

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to on and off-balance sheet exposures.

- On and off-balance sheet exposures in the banking book are segregated into various asset classes for the calculation of credit risk. Ratings reflecting the credit worthiness of counterparties are applied using various External Credit Assessment Institutions (ECAIs) and aligned with appropriate risk buckets. Collateral, if any, is used as an outflow adjustment. Eligible collateral used includes Government of Pakistan (GoP) guarantees, GoP issued securities, bank guarantees, lien on deposits and margin accounts. Risk weights notified by the SBP are applied to net exposures to arrive at risk weighted assets.
- The Bank calculates capital requirements for market risk in its trading book based on the methodology provided by the SBP which takes into account interest rate risk using the maturity method, equity position risk and foreign exchange risk.

- 43.2 The full disclosures on the Capital Adequacy Ratio, Leverage Ratio & Liquidity Requirements calculated as per SBP instructions issued from time to time have been placed on the Bank's website. The link to the full disclosure is available at <https://www.hbl.com/capitalandliquidity>.

44 RISK MANAGEMENT FRAMEWORK

HBL has a well-developed and robust risk management framework given the high degree of complexity of its operations, its size, and regional and target market diversification. The Bank's risk management framework is based on strong Board oversight, multi-tier management supervision, efficient systems, documented risk appetite, and clearly articulated policies and procedures.

The Board of Directors provides the strategic direction for effective risk management and ensures that a robust risk management framework is in place including the required human resources, policies, procedures and systems. It is supported in this task by the Board Risk Management Committee (BRMC) as well as by various management committees.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

For effective implementation of the risk management framework, the Risk Management function, headed by the Chief Risk Officer (CRO), operates independently of business units within the Bank. Risk Management is responsible for the development and implementation of risk policies and for monitoring the risks associated with various activities of the Bank. The CRO reports to the President, with a functional reporting line to the BRMC.

The Risk Management function comprises of the following areas:

- Credit Policy & Analytics
- Credit Approvals
- Credit Administration
- Program Based Lending Risk
- Market & Liquidity Risk Management
- Enterprise Risk Management

Risk Management alignment with Basel framework

The Bank has adopted the Standardized Approach for credit risk and the Alternate Standardized Approach for operational risk. In addition, the Bank has adopted the simple approach for recognizing eligible collateral for credit risk mitigation. The Bank's goal is to develop resources internally to embed Basel related processes and methodologies in its risk practices.

The Bank follows the Standardized Approach for market risk and is building capacity for adoption of the Internal Models Approach (IMA).

44.1 Credit risk management

Credit risk is defined as the risk of financial loss stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. While loans are the largest and most obvious source of credit risk, it also stems from both on and off-balance sheet activities. The credit process at the Bank is governed by well-defined and documented credit policies and procedures including separate policies for consumer loans, rural banking and SME financing. Certain types of exposures / facilities are managed under product programs that contain their own detailed credit criteria, compliance and documentation requirements.

The Bank's credit risk appetite is defined through a Risk Appetite Statement that is approved by the Board. It also covers the concentration risks the Bank is willing to take with reference to risk ratings, sectors and large exposures.

The core pillars of credit risk management at the Bank are:

- Approval rules based on a three-initial system and joint Business / Risk sign-offs.
- An independent Internal Audit function which includes a Business Risk Review (BRR) unit.

Credit approval authorities are delegated to individuals based on their qualifications and experience. Disbursement authorization, collateral and security management, documentation and monitoring are managed by the Credit Administration Department. Proactive monitoring is ensured for assets under stress. This enables the Bank to put in place viable solutions to prevent further deterioration in credit quality. An independent Structured Credits function to handles stressed assets and ensures a focused remedial strategy.

Credit risk management software to automate loan origination has been implemented for Corporate, Commercial and Retail customers and the Bank is rolling these out to overseas operations. The software is designed to improve approval efficiency; enable capture, storage and retrieval of approval data; and generate MIS for decision making.

Stress testing on the credit portfolio is performed in line with SBP guidelines. In addition to the mandatory stress tests defined by the regulator, the Bank has also developed advanced stress tests including macroeconomic stress tests, shock scenarios and reverse stress tests to test the capital against shocks to the credit portfolio. The Bank also regularly conducts rapid portfolio reviews in line with emerging risks.

The Bank has undertaken a number of initiatives to strengthen its credit risk management framework including in-house development of internal risk rating models (obligor risk rating and facility risk rating) for the portfolio, the development of transition and migration matrices to develop Probability of Default (PD) estimates, and back testing these against actual default rates for model refinement. The performance of the risk rating models over the years is continuously monitored.

BRR performs an independent review of the credit portfolio. It provides an independent assessment of portfolio quality, the efficacy of processes for the acquisition of risk assets, regulatory / policy compliance and appropriateness of classification and risk rating.

44.1.1 Credit risk - general disclosures

The Bank follows the Standardized Approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit ratings or type of exposure, whichever is applicable.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Under the Standardized Approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by the SBP. The Bank selects different ECAIs for each type of exposure. The Bank utilizes credit ratings assigned by Pakistan Credit Rating Agency (PACRA), Vital Information Services (VIS), Fitch, Moody's and Standard & Poor's (S&P). The Bank also utilizes rating scores of Export Credit Agencies (ECAs).

Types of exposure and ECAIs used

	FITCH	Moody's	S&P	PACRA	VIS	ECA scores
Corporates	-	✓	-	✓	✓	-
Banks	✓	✓	✓	✓	✓	-
Sovereigns	-	✓	-	-	-	✓
Public sector enterprises	-	-	-	✓	✓	-

Mapping to SBP rating grades

For all exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to the SBP rating grades are given below:

Long - Term rating grades mapping

SBP rating grade	Fitch	Moody's	S&P	PACRA	VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Short -Term Rating Grades mapping

SBP rating grade	Fitch	Moody's	S&P	PACRA	VIS
S1	F1	P-1	A-1+	A-1+	A-1+
S1	F1	P-1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

44.1.2 Credit Risk Mitigation for under the Standardized Approach

The Bank has adopted the Simple Approach for Credit Risk Mitigation in the Banking Book. Under this approach, cash, deposits under lien, Government securities and eligible guarantees etc. are considered as eligible collateral. The Bank has in place detailed guidelines regarding the valuation and management of each of these types of collateral. Where the Bank's exposure on an obligor is wholly or partially guaranteed by an eligible guarantee, the risk weight / credit rating of the guarantor is substituted for the risk weight of the obligor.

No credit risk mitigation benefit is taken in the Trading Book.

For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net exposure for the calculation of Risk Weighted Assets.

44.1.3 Country Risk

The Bank has in place a comprehensive Country Risk Policy. Limits are established for Cross Border Transfer Risk (CBTR) based on the ratings assigned by international rating agencies. CBTR arises from exposure to counterparties in countries other than the jurisdiction of the lender. Transfer risk arises where an otherwise solvent and willing debtor is unable to meet its obligation due to the imposition of governmental or regulatory controls restricting its ability to perform under its obligation towards meeting its foreign liabilities. The limit utilization is controlled at Head Office level and country risk exposures are reported to the BRMC at defined frequencies.

44.1.4 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Provision held	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Public / Government	24,615,867	14,253,781	-	-	-	-
Private	69,126,565	15,900,412	-	-	-	-
	<u>93,742,432</u>	<u>30,154,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

44.1.5 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Provision held	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Chemical and pharmaceuticals	-	203,025	-	-	-	-
Textile	86,548	106,548	86,548	106,548	86,548	106,548
Automobile and transportation equipment	-	-	-	-	-	-
Financial	1,797,688,410	1,810,164,219	-	-	-	-
Oil and gas	1,798,454	3,698,844	-	-	-	-
Power and energy	61,695,259	57,555,652	-	-	-	-
Telecommunication	160,833	164,329	160,833	164,329	160,833	164,329
Construction	-	2,046,000	-	-	-	-
Metal and allied	900,000	900,000	-	-	-	-
Others	1,000,000	-	-	-	-	-
	<u>1,863,329,504</u>	<u>1,874,838,617</u>	<u>247,381</u>	<u>270,877</u>	<u>247,381</u>	<u>270,877</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Credit risk by public / private sector

	Gross investments		Non-performing investments		Provision held	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Public / Government	1,845,716,450	1,855,397,137	-	-	-	-
Private	17,613,054	19,441,480	247,381	270,877	247,381	270,877
	<u>1,863,329,504</u>	<u>1,874,838,617</u>	<u>247,381</u>	<u>270,877</u>	<u>247,381</u>	<u>270,877</u>

44.1.6 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Provision held	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Chemical and pharmaceuticals	44,855,008	49,371,190	2,528,011	2,551,951	2,516,898	2,519,264
Agribusiness	125,113,981	123,153,141	1,996,199	2,355,186	1,015,923	978,050
Textile	172,435,756	137,638,144	15,520,215	18,227,451	15,406,200	17,230,252
Cement	28,401,108	30,742,220	588,694	788,694	588,694	788,694
Sugar	8,903,630	11,836,435	1,230,342	1,230,342	1,295,262	1,295,262
Shoes and leather garments	4,647,283	4,069,853	949,725	950,036	943,425	908,274
Automobile and transportation equipment	25,497,800	16,636,312	3,598,823	3,209,778	3,475,364	3,197,282
Financial	130,338,458	69,137,875	39,414	45,154	39,414	45,154
Hotel and tourism	5,596,292	5,686,305	809,736	675,707	712,089	560,200
Insurance	2,506,715	2,892,710	-	-	-	-
Electronics and electrical appliances	10,099,650	7,141,707	2,595,651	2,401,210	2,595,651	2,401,210
Oil and gas	88,003,142	58,927,284	5,652,384	3,036,551	5,655,182	786,797
Power and energy	194,625,126	186,637,376	13,336	1,615,585	13,336	1,615,585
Education and medical	7,452,699	6,996,217	196,080	194,869	194,057	194,091
Telecommunication	28,315,442	29,265,551	1,082,730	1,130,701	1,082,730	1,130,701
Printing and publishing	7,807,906	6,813,205	356,435	355,966	349,484	355,949
Construction	42,080,070	33,896,363	193,570	361,501	180,730	285,961
Mining and quarrying	5,952,217	5,730,014	155,578	119	78,848	119
Food, tobacco and beverages	78,869,282	62,250,021	3,299,248	3,495,089	2,758,065	2,811,264
Wholesale and retail trade	67,558,211	54,103,207	12,090,001	13,605,951	11,197,535	12,344,035
Metal and allied	31,895,522	20,339,605	4,040,865	3,231,792	2,412,884	2,161,387
Individuals	138,626,234	101,202,290	2,231,153	2,269,555	1,933,347	1,995,760
Farming, cattle and dairy	3,180,273	7,003,387	809,395	515,986	769,442	434,060
Trust funds and non profit organisations	1,596,881	1,614,536	2,991	2,991	2,991	2,991
Others	208,846,669	160,802,214	14,189,081	13,198,440	13,868,821	13,025,295
	<u>1,463,205,355</u>	<u>1,193,887,162</u>	<u>74,169,657</u>	<u>75,450,605</u>	<u>69,086,372</u>	<u>67,067,637</u>

Credit risk by public / private sector

	Gross advances		Non-performing advances		Provision held	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Public / Government	317,402,932	276,485,672	1,071,091	1,076,491	5,400	10,800
Private	1,145,802,423	917,401,490	73,098,566	74,374,114	69,080,972	67,056,837
	<u>1,463,205,355</u>	<u>1,193,887,162</u>	<u>74,169,657</u>	<u>75,450,605</u>	<u>69,086,372</u>	<u>67,067,637</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

44.1.7 Contingencies and Commitments

Credit risk by industry sector

	2021	2020
	(Rupees in '000)	
Chemical and pharmaceuticals	37,497,701	125,589,265
Agribusiness	4,872,111	5,914,848
Textile	93,954,916	37,747,380
Cement	51,399,786	9,534,715
Defence	14,055,764	13,597,579
Sugar	3,119,186	2,425,872
Shoes and leather garments	1,608,350	2,051,318
Automobile and transportation equipment	30,633,616	12,864,675
Financial	646,177,212	477,416,757
Hotel and tourism	1,083,342	1,371,892
Research and Development	2,247,002	1,322,523
Insurance	7,222,886	1,653,258
Electronics and electrical appliances	16,754,561	16,114,947
Oil and gas	68,651,454	63,355,245
Power and energy	105,841,274	72,438,664
Education and medical	2,974,595	1,934,974
Telecommunication	27,697,852	9,425,449
Printing and publishing	2,469,700	1,238,472
Construction	32,181,379	15,178,433
Mining and quarrying	2,749,857	4,563,574
Food, tobacco and beverages	26,589,405	11,181,197
Wholesale and retail trade	10,533,979	16,553,245
Metal and allied	15,508,860	10,748,845
Individuals	24,602,637	17,820,528
Farming, cattle and dairy	1,549,317	2,106,305
Ports and shipping	1,367,301	2,554,655
Trust funds and non profit organisations	41,572,444	11,175,272
Others	84,261,771	40,352,137
	<u>1,359,178,258</u>	<u>988,232,024</u>

Credit risk by public / private sector

Public / Government	226,782,960	201,203,863
Private	1,132,395,298	787,028,161
	<u>1,359,178,258</u>	<u>988,232,024</u>

44.1.8 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded) exposures aggregated to Rs 439,861.952 million (2020: Rs 380,572.960 million).

	2021	2020
	(Rupees in '000)	
Funded	254,870,742	280,605,421
Non-funded	184,991,209	99,967,539
Total exposure	<u>439,861,951</u>	<u>380,572,960</u>

The sanctioned limits against these top 10 exposures aggregated to Rs 628,617.948 million (2020: Rs 550,392.787 million).

44.1.9 Advances - Province / Region-wise disbursement and utilization

44.2 Market Risk Management

The Bank is exposed to market risk in a number of ways. The largest component is Interest Rate Risk on the Banking Book, which refers to the interest rate risk that the Bank is exposed to due to mismatches in the repricing of its on-balance sheet assets and liabilities. The Bank also has Trading Books in various markets; these assets are fair valued, i.e. changes in the values of the assets arising from market movements are directly reflected in the Bank's profit and loss account.

The objective of the Bank's market risk management strategy is to firstly, assess an acceptable level of risk for each market variable (as stated in the Bank's Risk Appetite Statement), and secondly, to manage the risk arising from fluctuations in these variables to optimize the Bank's income streams.

Treasury and Global Markets is tasked with proactively managing exposures. The ALCO provides governance with respect to market risk exposures and limits, while monitoring and measurement is carried out by Market Risk Management (MRM).

MRM provides a dynamic and proactive approach to market risk monitoring, including the use of tools such as Value at Risk, Earnings at Risk, stress testing and the use of Management Action Triggers (MAT).

	2021			2020		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	(Rupees in '000)					
Cash and balances with treasury banks	409,528,880	-	409,528,880	347,988,749	-	347,988,749
Balances with other banks	32,176,188	-	32,176,188	38,422,719	-	38,422,719
Lendings to financial institutions	93,742,432	-	93,742,432	30,154,193	-	30,154,193
Investments	993,171,473	912,017,184	1,905,188,657	1,200,609,033	711,628,960	1,912,237,993
Advances	1,384,549,476	-	1,384,549,476	1,117,320,960	-	1,117,320,960
Fixed assets	94,158,252	-	94,158,252	84,350,518	-	84,350,518
Intangible assets	6,613,409	-	6,613,409	4,596,807	-	4,596,807
Deferred tax assets	3,744,933	-	3,744,933	-	-	-
Other assets	136,164,069	8,721,910	144,885,979	105,097,879	3,541,902	108,639,781
	3,153,849,112	920,739,094	4,074,588,206	2,928,540,858	715,170,862	3,643,711,720

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

44.2.2 Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank manages this risk by setting and monitoring currency-wise exposure limits. The Bank's assets in a particular currency are typically funded in the same currency to minimize foreign currency exposure. However, the Bank maintains a net open position in various currencies resulting from its transactions. Foreign exchange risk is controlled and monitored through the limits approved by ALCO, within the overall limit advised by the SBP.

	2021				2020			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	(Rupees in '000)							
United States Dollars	311,737,477	339,408,550	32,115,435	4,444,362	238,888,630	300,913,676	53,131,027	(8,894,019)
Great Britain Pounds	2,446,269	14,841,521	11,768,610	(626,642)	2,800,324	13,824,627	10,658,965	(365,339)
UAE Dirhams	42,008,146	62,451,185	32,917,837	12,474,798	26,054,309	38,717,090	26,334,763	13,671,982
Japanese Yen	81,410	63	(38,325)	43,022	11,780	100,063	117,785	29,503
Euros	19,782,196	13,918,765	(3,665,153)	2,198,278	19,945,215	14,299,428	(3,906,039)	1,739,748
Other Currencies	131,035,236	92,379,167	(12,110,982)	26,545,087	68,233,534	24,263,390	(992,744)	42,977,400
	<u>507,090,734</u>	<u>522,999,251</u>	<u>60,987,422</u>	<u>45,078,905</u>	<u>355,933,792</u>	<u>392,118,274</u>	<u>85,343,757</u>	<u>49,159,275</u>

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	450,789	-	491,593
- Other comprehensive income	615,877	-	621,843	-

44.2.3 Equity Position Risk

Equity position risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in the prices of individual stocks or the levels of equity indices.

The Bank takes exposures to a range of equity instruments, and is exposed to losses arising from movements in Equity prices. The Bank holds equity investments in both the AFS and HFT portfolios. The realization of short term capital gains is the principal objective of the HFT portfolio while the AFS portfolio takes a medium-term market view with the objective of earning both capital gains and dividend income. The portfolios are managed by the Bank within the structure encapsulated in the Equity Investment Policy approved by the Board, which defines position limits, portfolio limits and loss triggers for the equity desk. The Bank also applies stress tests on the equity portfolio which is part of the Bank's overall market risk exposure limit on the trading book.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 5% change in equity prices on				
- Profit and loss account	-	15,430	-	7,311
- Other comprehensive income	376,184	-	-	339,701

44.2.4 Interest Rate Risk

Interest rate risk arises due to changes in interest rates, including changes in the shape of the yield curve. The Bank is exposed to interest rate risk in both the Trading and Banking Books. Interest rate sensitivity analysis is conducted at both Banking Book and Trading Book levels. The analysis is performed at least on a monthly basis or more frequently, if required. The analysis helps in estimating and managing the impact of interest rate volatility on the Bank's earnings and on the economic value of equity within the defined tolerance limits. Limits are also in place for fixed income investments of the treasury portfolio at various levels (i.e. Dealer, Transaction, Portfolio, Trading and Banking Book). Regulatory stress testing is conducted on a quarterly basis. Metrics to assess Interest Rate Risk include Interest Rate Gap Reports, Earnings at Risk (EAR) and Economic Value of Equity (EVE). These metrics are assessed based on different stress scenarios.

To further strengthen interest rate risk management, the Bank has developed a standardized framework for computing the Interest Rate Risk in the Banking Book (IRRBB) under the updated guidelines issued by Basel Committee on Banking Supervision Standards.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in interest rates on				
- Profit and loss account	(1,176,891)	(818,473)	(7,285,526)	(1,221,907)
- Other comprehensive income	(3,605,044)	-	(4,275,920)	(2,274,260)

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

44.2.4.1 Mismatch of interest rate sensitive assets and liabilities

Interest rate sensitivity gaps for assets and liabilities which have contractual maturities have been reported based on the earlier of the re-pricing date or maturity date. However, assets and liabilities which do not have any contractual maturities have been bucketed on the basis of a behavioural study approved by ALCO.

		2021										Not exposed to yield / interest risk
Effective yield / interest rate	Exposed to yield / interest risk											
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years		
On-balance sheet assets		(Rupees in '000)										
Financial Assets												
Cash and balances with treasury banks	0.03%	409,528,880	12,895,269	-	-	229,238	-	-	-	-	-	396,404,373
Balances with other banks	0.94%	32,176,188	8,417,084	160,291	240,437	-	-	-	-	-	-	23,358,376
Lendings to financial institutions	7.25%	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-	-
Investments	8.19%	1,905,188,657	383,920,827	351,540,025	545,224,463	166,178,295	55,043,262	110,953,570	98,004,866	100,211,912	51,226,889	42,884,548
Advances	8.20%	1,384,549,476	338,939,077	638,518,809	177,080,638	76,316,327	22,444,870	33,010,398	59,306,914	34,767,647	255,996	3,908,800
Other assets		118,806,807	-	-	-	-	-	-	-	-	-	118,806,807
		3,943,992,440	816,552,889	1,011,580,925	722,545,538	242,723,860	77,488,132	143,963,968	157,311,780	134,979,559	51,482,885	585,362,904
Financial Liabilities												
Bills payable		43,853,860	-	-	-	-	-	-	-	-	-	43,853,860
Borrowings	4.71%	432,261,654	56,535,735	168,761,946	43,181,498	49,448,611	11,007,311	13,779,480	16,561,509	64,962,422	8,023,142	-
Deposits and other accounts	3.58%	3,184,260,887	258,266,717	1,605,810,022	92,615,303	109,126,915	5,866,992	16,377,133	3,034,634	8,353,952	306,871	1,084,502,348
Subordinated debt	9.04%	12,374,000	-	12,374,000	-	-	-	-	-	-	-	-
Other liabilities												
Lease Liability against right-of-use assets	10.32%	19,528,712	157,693	315,386	473,079	946,159	1,892,317	1,892,317	3,784,634	10,067,127	-	-
Others		109,348,660	-	-	-	-	-	-	-	-	-	109,348,660
		3,801,627,773	314,960,145	1,787,261,354	136,269,880	159,521,685	18,766,620	32,048,930	23,380,777	83,383,501	8,330,013	1,237,704,868
On-balance sheet gap		142,364,667	501,592,744	(775,680,429)	586,275,658	83,202,175	58,721,512	111,915,038	133,931,003	51,596,058	43,152,872	(652,341,964)
Net non - financial assets		115,564,243										
Total net assets		257,928,910										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		320,185,675	91,911,293	144,333,664	64,255,279	19,685,439	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(239,848,248)	(85,954,995)	(88,456,093)	(49,772,845)	(15,664,315)	-	-	-	-	-	-
Government Securities transactions - forward purchases		27,830,190	26,993,330	836,860	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(65,732,273)	(65,732,273)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		17,058,770	-	57,639	77,975	309,755	2,105,925	2,712,010	7,346,164	878,616	3,570,686	-
Cross Currency Swaps - sales		(19,308,883)	-	(73,549)	(88,257)	(353,022)	(2,382,932)	(2,899,223)	(9,010,815)	(970,815)	(3,530,270)	-
Interest rate swaps - sales		(5,681,475)	-	(564,808)	-	-	(1,041,667)	(2,000,000)	(2,075,000)	-	-	-
Off-balance sheet gap		34,503,756	(32,782,645)	56,133,713	14,472,152	3,977,857	(1,318,674)	(2,187,213)	(3,739,651)	(92,199)	40,416	-
Total yield / interest risk sensitivity gap			468,810,099	(719,546,716)	600,747,810	87,180,032	57,402,838	109,727,825	130,191,352	51,503,859	43,193,288	(652,341,964)
Cumulative yield / Interest rate risk sensitivity gap			468,810,099	(250,736,617)	350,011,193	437,191,225	494,594,063	604,321,888	734,513,240	786,017,099	829,210,387	176,868,423

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2020												
Effective yield / interest rate	Exposed to yield / interest risk										Not exposed to yield / interest risk	
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years		
(Rupees in '000)												
On-balance sheet assets												
Financial Assets												
Cash and balances with treasury banks	0.06%	347,988,749	25,205,777	25,239	-	-	-	-	-	-	-	322,757,733
Balances with other banks	1.21%	38,422,719	9,560,783	1,535,834	-	-	-	-	-	-	-	27,326,102
Lendings to financial institutions	7.63%	30,154,193	23,154,193	7,000,000	-	-	-	-	-	-	-	-
Investments	9.90%	1,912,237,993	178,096,961	540,116,391	457,311,760	280,546,895	156,094,404	53,729,810	99,419,943	77,927,299	30,264,315	38,730,215
Advances	9.94%	1,117,320,960	359,330,915	503,959,608	125,788,144	32,203,551	25,462,862	15,598,421	23,007,942	22,960,314	626,236	8,382,967
Other assets		84,347,963	-	-	-	-	-	-	-	-	-	84,347,963
		3,530,472,577	595,348,629	1,052,637,072	583,099,904	312,750,446	181,557,266	69,328,231	122,427,885	100,887,613	30,890,551	481,544,980
Financial Liabilities												
Bills payable		46,122,344	-	-	-	-	-	-	-	-	-	46,122,344
Borrowings	5.87%	540,095,253	377,747,558	51,421,564	45,457,922	83,306	31,434,293	612,514	7,467,932	25,743,587	126,577	-
Deposits and other accounts	4.55%	2,669,490,716	162,761,588	1,401,476,865	65,832,696	74,101,408	8,576,914	4,482,830	15,118,205	6,789,770	856,148	929,494,292
Subordinated debt	11.64%	22,356,000	-	22,356,000	-	-	-	-	-	-	-	-
Other liabilities												
Lease Liability against right-of-use assets	11.08%	15,300,909	129,977	259,954	389,931	779,863	1,559,726	1,559,726	3,119,451	7,502,281	-	-
Others		91,351,018	-	-	-	-	-	-	-	-	-	91,351,018
		3,384,716,240	540,639,123	1,475,514,383	111,680,549	74,964,577	41,570,933	6,655,070	25,705,588	40,035,638	982,725	1,066,967,654
On-balance sheet gap		145,756,337	54,709,506	(422,877,311)	471,419,355	237,785,869	139,986,333	62,673,161	96,722,297	60,851,975	29,907,826	(585,422,674)
Net non - financial assets		96,968,428										
Total net assets		242,724,765										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		245,614,763	71,661,326	99,664,060	63,441,801	10,847,576	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(160,270,369)	(64,307,220)	(57,234,188)	(25,172,656)	(13,556,305)	-	-	-	-	-	-
Government Securities transactions - forward purchases		96,427,590	96,380,176	47,414	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(54,329,588)	(54,329,588)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		14,662,810	616,598	-	90,208	787,250	482,671	1,543,489	1,235,520	9,907,074	-	-
Cross Currency Swaps - sales		(16,007,336)	(711,263)	-	(133,195)	(955,805)	(519,461)	(1,598,333)	(1,186,770)	(10,902,509)	-	-
Interest rate swaps - sales		(7,834,491)	-	-	-	-	(859,491)	(1,875,000)	(5,100,000)	-	-	-
Off-balance sheet gap		118,263,379	49,310,029	42,477,286	38,226,158	(2,877,284)	(896,281)	(1,929,844)	(5,051,250)	(995,435)	-	-
Total yield / interest risk sensitivity gap			104,019,535	(380,400,025)	509,645,513	234,908,585	139,090,052	60,743,317	91,671,047	59,856,540	29,907,826	(585,422,674)
Cumulative yield / Interest rate risk sensitivity gap												
			104,019,535	(276,380,490)	233,265,023	468,173,608	607,263,660	668,006,977	759,678,024	819,534,564	849,442,390	264,019,716

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

44.3 Enterprise Risk Management

The Enterprise Risk Management (ERM) vertical of Risk Management, set up by the Bank in 2020, and was further strengthened during the year 2021. Enterprise Risk Management is applicable to all functions within the Bank which ensures robust and consistent approach to risk management at all levels of the organization.

The Bank's Enterprise Risk Management Framework, approved by the Board, outlines the high level essentials of enterprise risk management components, key ERM principles, concepts and suggests a common ERM language, while providing a clear direction and guidance for integrated risk management within the Bank. Day-to-day responsibility for risk management is disseminated through the delegation of individual accountability, with reporting and escalations facilitated through governance structure. Standards, policies, and limits are defined to ensure tasks and processes are well controlled.

The Enterprise Risk Management Team has created a Bank-wide "Risk Taxonomy"; the objective of the Risk Taxonomy is to converge all risks and issues, which helps management in:

- Identifying cumulative impact against each risk type to assess materiality of the risk / issue, providing a holistic picture.
- Standardizing root-cause analysis of risks / issues by doing thematic reviews.

The ERM function also includes a Model Risk Management (MRM) arm that aims to provide independent review and validation of all models being used in the Bank. Another initiative launched during the year under ERM is the New Product Initiative Assessment (NPIA) process whereby all risks within new products/services are comprehensively identified and assessed as per Bank's Risk Taxonomy. The goal is to ensure that they are adequately managed / mitigated with relevant controls in place. NPIA applies to all business lines and across all locations of HBL.

44.3.1 Operational Risk Management (ORM)

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational Risk Management is housed within Risk Management and a comprehensive ORM Framework is in place which address all the significant aspects of ORM i.e. people, processes, systems and external events. A SAS software has been deployed that facilitates loss data management, Risk and Control Assessments and tracking of Key Risk Indicators (KRIs). Operational Risk Coordinators have been assigned from all relevant departments of the Bank and are responsible for implementation of the Framework in coordination with the ORM department. An Operational Risk Management Committee (ORMC) is in place to monitor and oversee operational risk issues. The Bank uses the Alternative Standardized Approach (ASA) under Basel II but with a capital floor i.e., the operational risk capital charge under ASA should not fall below a certain percentage of the operational risk capital charge calculated under the Basic Indicator Approach (BIA). The Bank is the first Pakistani bank to achieve this milestone.

Key ORM tools such as Risk Control Self-Assessment (RCSA), KRIs and Operational Loss Data Management are used to gauge the likelihood and severity of operational risk. The Bank uses stress testing to proactively assess impacts to the bank. RCSA exercises are conducted at regular intervals across the Bank. Operational risk reports are regularly submitted to the senior management and the BRMC.

44.3.2 Business Continuity Planning (BCP)

It is the policy of the Bank to maintain a well-defined business continuity program which comprises of policy and procedures and plans with clearly defined roles, responsibilities and ownership for Crisis Management, Emergency Response, Business Continuity and IT Disaster Recovery. The Bank's Business Continuity Steering Committee, which includes representation from the senior management of the Bank, is the governing body of BCP matters and meets on a periodic basis to review key initiatives, testing results and related action plans for strengthening the Bank's ability to manage crisis situations. The Bank's business continuity program complies with the regulatory framework and the leading Business Continuity Management standard, ISO 22301, and is subject to regular internal, external and regulatory reviews and audits.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

44.3.3 IT related controls

During the year, the Bank's IT controls were further strengthened, with special focus on controls around remote access. Enhanced focus and visibility was given to IT Audit and Compliance, and several control/monitoring initiatives were launched in close coordination with the Internal Audit function of the Bank. A formal procedure for IT Risk Management was introduced to identify and mitigate potential risk areas in a centralized manner. This has been further aligned with ETGRM as well as ERM and ORM frameworks. Enterprise wide Risk Coordinators have been identified and IT Risk Coordinator has been identified to coordinate with stakeholders and ensure that risks are reported and coordinated regularly. An IT risk register has been developed to track IT risks and ensure more stakeholder engagement.

A COBIT 2019 gap assessment has been completed and remediation activity on selected processes/objectives is in progress to achieve the desired capability level. Controls around 'Cloud Computing' were put in place as per the directives and framework provided by SBP. IT introduced better visibility of its Services Management function by revamping existing processes and introducing new processes for effective controls and visibility across the Bank. The IT Steering Committee discipline was established at all international locations to bring efficiency and effectiveness in technology governance and operations.

44.3.4 Information Security Risk

It is vitally important for Bank to protect its customers and their data from cyberattacks and provide secure banking services. Information Security plays a pivotal role in protecting the Bank's data assets from both internal and external threats through effective cyber security risk management, supported by preventive and detective controls capable of responding to emerging external threats.

The COVID 19 pandemic and its associated remote working environment has created opportunities for cyber criminals to steal sensitive data and commit fraudulent activities. Moreover, the Bank's increased digitization, the changing threat landscape, the rise of social engineering frauds, and stringent oversight of the regulator requires continuous measures to strengthen the information security posture of the Bank.

Targeted and frequent information security awareness initiatives for customers and employees were launched using expanded delivery channels, to elevate their level of awareness and better equip them to counter security challenges.

Significant progress has been made in raising information security standards in the international territories to a level consistent with the policies, standards, and controls implemented in the rest of the Bank.

An International external maturity assessment against best practices of Security Operation Center (SOC) was conducted to benchmark our practices with Regional standards.

Moving forward, the Bank plans to strengthen our cyber-defenses through the use of automation and modern technologies, AI and machine learning, targeted customer and staff awareness, adoption of international best practices, Cloud framework and security, customer data protection initiatives, strengthening of API controls, Digital Payments security, security orchestration-based analysis while proactively mitigating against advanced security threats. Furthermore, enhancement of data loss prevention measures, identity and access management, cyber fraud prevention, privileged access management, as well as strengthening ATM security controls besides further alignment of security operation center with international best practices would be the key focus of 2022.

Customers are an important component of the security process and continuous customer education about cyber risks will remain an important component of our defense strategy. These security measures will allow Bank to continue offering innovative digital solutions to its clients while ensuring them protection and peace of mind.

44.4 Liquidity Risk Management

Liquidity risk is the risk that the Bank may be unable to meet its cash obligations as they become due, or to fund assets, at a reasonable cost, because of the inability to liquidate assets, or to obtain adequate funding.

The Bank follows a comprehensive liquidity risk management policy duly approved by the Board. The policy provides necessary guidelines for establishing a robust liquidity risk management framework which helps in identifying the key liquidity and funding risks to which the bank is exposed, describes how these risks are identified, measured, monitored and reported, and prescribes the techniques and resources used to manage and mitigate these risks. The policy stipulates maintenance of various ratios, funding preferences, and evaluation of the Bank's liquidity under normal and crisis situations (stress testing). The Bank also has a Contingency Funding Plan in place to address liquidity issues in times of crisis. This plan identifies early warning indicators to preempt unforeseen liquidity crises. Triggers are used to ascertain potential stress scenarios.

The Bank's ALCO is responsible for the formulation of overall strategy and oversight of asset and liability management. Liquidity Risk is monitored using a range of metrics, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR); liquidity gaps and various liquidity ratios are regularly monitored by Market Risk Management. Liquidity risk is reviewed by ALCO on a monthly basis and an update is provided to the BRMC on a quarterly basis.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

44.4.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Bank

2021													
Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
(Rupees in '000)													
Assets													
Cash and balances with treasury banks	409,528,880	394,974,585	9,687,044	702,262	1,404,524	-	-	-	-	2,760,465	-	-	-
Balances with other banks	32,176,188	26,414,187	1,756,464	1,387,594	2,158,380	174,780	264,890	-	-	19,893	-	-	-
Lendings to financial institutions	93,742,432	-	42,953,067	19,591,484	9,836,081	1,700,000	19,661,800	-	-	-	-	-	-
Investments	1,905,188,657	-	5,522,456	5,207,468	8,727,431	42,920,793	185,702,605	153,894,542	128,654,920	38,788,000	347,161,076	147,723,407	313,942,475
Advances	1,384,549,476	320,952,766	66,668,284	9,468,319	18,781,666	38,969,292	32,066,566	85,314,264	65,944,906	69,876,287	143,784,983	122,527,250	158,988,980
Fixed assets	94,158,252	7,504,254	102,890	120,038	291,521	521,594	521,594	1,564,781	1,564,781	1,564,781	6,259,126	6,259,126	7,135,962
Intangible assets	6,613,409	2,036,995	17,618	20,555	49,919	89,316	89,316	267,947	267,947	267,947	1,071,788	1,071,788	1,362,273
Deferred tax assets	3,744,933	441	2,647	3,088	7,499	115,999	115,999	144,361	68,749	68,749	914,047	699,026	1,443,676
Other assets	144,885,979	1,215,137	7,290,822	8,505,959	18,897,948	14,973,455	14,973,455	37,530,003	9,716,624	9,496,788	21,603,331	280,134	-
	4,074,588,206	753,098,365	134,001,292	45,006,767	60,154,969	99,465,229	253,396,225	278,715,898	206,217,927	122,842,910	520,794,351	278,560,731	482,873,366
Liabilities													
Bills payable	43,853,860	43,853,860	-	-	-	-	-	-	-	-	-	-	-
Borrowings	432,261,654	618,796	4,624,531	46,479,498	4,812,910	131,854,096	36,907,850	43,181,498	4,552,558	44,896,053	11,007,311	13,779,480	16,561,509
Deposits and other accounts	3,184,260,887	2,564,013,824	51,861,449	60,505,024	146,940,772	79,596,903	79,596,903	67,924,829	48,625,557	48,625,557	6,985,441	17,952,006	2,997,806
Subordinated debt	12,374,000	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities													
Lease Liability against right-of-use asset	19,528,712	5,184	31,107	36,291	88,135	157,693	157,693	473,079	473,079	473,079	1,892,317	1,892,317	3,784,634
Others	124,380,183	3,890,088	23,340,530	27,230,618	62,302,833	1,224,253	1,224,253	1,359,012	629,152	629,152	313,312	300,853	1,865,403
	3,816,659,296	2,612,381,752	79,857,617	134,251,431	214,144,650	212,832,945	117,886,699	112,938,418	54,280,346	94,623,841	20,198,381	33,924,656	25,209,352
Net assets	257,928,910	(1,859,283,387)	54,143,675	(89,244,664)	(153,989,681)	(113,367,716)	135,509,526	165,777,480	151,937,581	28,219,069	500,595,970	244,636,075	457,664,014
Share capital	14,668,525												
Reserves	69,678,669												
Surplus on revaluation of assets													
- net of tax	25,189,245												
Unappropriated profit	148,392,471												
	257,928,910												

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2020													
	Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
	(Rupees in '000)													
Assets														
Cash and balances with treasury banks	347,988,749	324,205,024	9,510,305	-	14,248,180	-	25,240	-	-	-	-	-	-	-
Balances with other banks	38,422,719	27,326,103	6,555,344	1,572,082	1,433,357	97,843	1,437,990	-	-	-	-	-	-	-
Lendings to financial institutions	30,154,193	-	3,959,681	3,300,000	15,894,512	-	7,000,000	-	-	-	-	-	-	-
Investments	1,912,237,993	639,619	695,248	478,867	51,722,352	36,634,250	343,802,387	155,343,671	275,802,534	9,262,139	173,560,874	122,263,781	257,043,480	484,988,791
Advances	1,117,320,960	279,619,371	52,342,235	8,853,576	18,989,300	28,024,514	56,738,747	60,759,387	44,599,952	47,687,537	129,994,416	111,089,466	119,112,792	159,509,667
Fixed assets	84,350,518	2,325,055	92,466	107,877	246,576	462,330	462,330	1,386,990	1,386,990	1,386,990	5,547,962	5,547,962	6,724,578	58,672,412
Intangible assets	4,596,807	1,554,906	11,197	13,063	29,859	55,986	55,986	167,958	167,958	167,958	671,833	671,833	1,028,270	-
Other assets	108,639,781	2,286,591	8,344,844	9,187,558	20,170,802	8,550,580	8,550,580	16,249,421	6,711,748	6,711,748	242,476	21,269,722	320,950	42,761
	3,643,711,720	637,956,669	81,511,320	23,513,023	122,734,938	73,825,503	418,073,260	233,907,427	328,669,182	65,216,372	310,017,561	260,842,764	384,230,070	703,213,631
Liabilities														
Bills payable	46,122,344	46,122,344	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	540,095,253	514,446	286,134,660	24,084,799	37,998,397	10,253,298	41,283,267	23,348,315	52,250	42,934	39,920,322	9,771,489	19,855,427	46,835,649
Deposits and other accounts	2,669,490,716	2,177,792,506	36,961,738	47,450,323	117,109,291	60,616,600	46,386,048	64,397,763	38,731,011	38,731,011	11,322,167	7,228,136	15,118,205	7,645,917
Subordinated debt	22,356,000	-	-	-	-	9,982,000	-	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	2,968,857	6,150	36,899	43,049	98,398	431,587	431,587	368,776	344,791	344,791	(152,386)	(266,991)	(517,312)	1,799,518
Other liabilities														
Lease Liability against right-of-use asset	15,300,909	4,333	25,995	30,328	69,321	129,977	129,977	389,931	389,931	389,931	1,559,726	1,559,726	3,119,451	7,502,282
Others	104,652,876	3,488,428	20,930,575	24,419,004	55,814,869	-	-	-	-	-	-	-	-	-
	3,400,986,955	2,227,928,207	344,089,867	96,027,503	211,090,276	81,413,462	88,230,879	88,504,785	39,517,983	39,508,667	52,649,829	18,292,360	37,575,771	76,157,366
Net assets	242,724,765	(1,589,971,538)	(262,578,547)	(72,514,480)	(88,355,338)	(7,587,959)	329,842,381	145,402,642	289,151,199	25,707,705	257,367,732	242,550,404	346,654,299	627,056,265
Share capital	14,668,525													
Reserves	63,040,638													
Surplus on revaluation of assets														
- net of tax	35,752,856													
Unappropriated profit	129,262,746													
	242,724,765													

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

44.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

Assets and liabilities which have contractual maturities have been reported as per their remaining maturities, whereas assets and liabilities which do not have any contractual maturities have been reported as per their expected maturities calculated on the basis of an objective and systematic behavioral study approved by the ALCO.

	2021									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	409,528,880	275,459,560	12,238,923	7,302,617	25,068,426	18,784,034	9,812,757	13,623,858	23,246,600	23,992,105
Balances with other banks	32,176,188	31,716,625	439,670	-	19,893	-	-	-	-	-
Lendings to financial institutions	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-
Investments	1,905,188,657	19,457,355	228,623,398	153,894,542	167,442,921	347,161,076	147,723,407	313,942,475	428,162,687	98,780,796
Advances	1,384,549,476	144,892,520	103,583,017	111,032,907	177,829,742	198,737,778	169,421,630	228,250,977	126,583,454	124,217,451
Fixed assets	94,158,252	8,008,700	1,043,188	1,564,781	3,129,563	6,259,126	6,259,126	7,142,162	11,391,867	49,359,739
Intangible assets	6,613,409	2,123,375	178,631	267,947	535,894	1,071,788	1,071,788	1,363,986	-	-
Deferred tax assets	3,744,933	13,809	231,999	144,220	137,473	913,994	699,130	1,443,668	3,311,267	(3,150,627)
Other assets	144,885,979	35,173,250	33,837,768	35,622,399	18,111,288	21,699,101	281,044	-	161,129	-
	4,074,588,206	589,225,826	401,538,394	309,829,413	392,275,200	594,626,897	335,268,882	565,767,126	592,857,004	293,199,464
Liabilities										
Bills payable	43,853,860	8,024,142	853,089	34,976,629	-	-	-	-	-	-
Borrowings	432,261,654	56,535,735	168,761,946	43,181,498	49,448,611	11,007,311	13,779,480	16,561,509	64,962,422	8,023,142
Deposits and other accounts	3,184,260,887	799,120,660	236,515,638	177,995,881	411,896,189	329,735,505	172,222,036	239,030,828	402,786,978	414,957,172
Subordinated debt	12,374,000	-	-	-	-	-	-	-	-	12,374,000
Other liabilities										
Lease Liability against right-of-use asset	19,528,712	157,693	315,386	473,079	946,159	1,892,317	1,892,317	3,784,634	10,067,127	-
Others	124,380,183	32,678,292	36,635,603	15,482,104	20,505,533	3,650,459	963,405	1,926,810	12,394,619	143,358
	3,816,659,296	896,516,522	443,081,662	272,109,191	482,796,492	346,285,592	188,857,238	261,303,781	490,211,146	435,497,672
Net assets	<u>257,928,910</u>	<u>(307,290,696)</u>	<u>(41,543,268)</u>	<u>37,720,222</u>	<u>(90,521,292)</u>	<u>248,341,305</u>	<u>146,411,644</u>	<u>304,463,345</u>	<u>102,645,858</u>	<u>(142,298,208)</u>
Share capital	14,668,525									
Reserves	69,678,669									
Surplus on revaluation of assets - net of tax	25,189,245									
Unappropriated profit	148,392,471									
	<u>257,928,910</u>									

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2020									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	347,988,749	257,116,013	5,913,911	5,495,033	13,107,319	15,135,918	7,150,285	10,841,125	17,393,550	15,835,595
Balances with other banks	38,422,719	36,886,885	1,535,834	-	-	-	-	-	-	-
Lendings to financial institutions	30,154,193	23,154,193	7,000,000	-	-	-	-	-	-	-
Investments	1,912,237,993	53,536,086	380,436,637	155,343,671	290,903,455	173,560,874	122,263,781	257,043,480	411,973,846	67,176,163
Advances	1,117,320,960	124,902,300	109,508,882	78,092,246	129,483,627	183,115,018	152,262,493	181,601,042	87,101,111	71,254,241
Fixed assets	84,350,518	2,771,974	924,660	1,386,990	2,773,981	5,547,962	5,547,962	6,724,578	9,637,058	49,035,353
Intangible assets	4,596,807	1,609,025	111,972	167,958	335,916	671,833	671,833	1,028,270	-	-
Other assets	108,639,781	17,337,183	27,397,775	33,971,047	15,057,865	242,476	14,269,722	320,950	42,763	-
	3,643,711,720	517,313,659	532,829,671	274,456,945	451,662,163	378,274,081	302,166,076	457,559,445	526,148,328	203,301,352
Liabilities										
Bills payable	46,122,344	8,827,160	884,373	36,410,811	-	-	-	-	-	-
Borrowings	540,095,253	348,732,302	51,536,565	23,348,315	95,184	39,920,322	9,771,489	19,855,427	38,843,367	7,992,282
Deposits and other accounts	2,669,490,716	660,423,072	151,233,486	146,148,430	302,177,133	323,899,759	154,052,312	229,192,253	367,659,908	334,704,363
Subordinated debt	22,356,000	-	9,982,000	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	2,968,857	126,218	863,173	368,776	689,582	(152,386)	(266,991)	(516,845)	(1,901,862)	3,759,192
Other liabilities										
Lease Liability against right-of-use asset	15,300,909	129,977	259,954	389,931	779,863	1,559,726	1,559,726	3,119,451	7,502,281	-
Others	104,652,876	25,808,069	32,249,734	14,706,096	15,005,555	1,965,178	1,214,285	2,540,986	10,971,133	191,840
	3,400,986,955	1,044,046,798	247,009,285	221,372,359	318,747,317	367,192,599	166,330,821	254,191,272	423,074,827	359,021,677
Net assets	<u>242,724,765</u>	<u>(526,733,139)</u>	<u>285,820,386</u>	<u>53,084,586</u>	<u>132,914,846</u>	<u>11,081,482</u>	<u>135,835,255</u>	<u>203,368,173</u>	<u>103,073,501</u>	<u>(155,720,325)</u>
Share capital	14,668,525									
Reserves	63,040,638									
Surplus on revaluation of assets - net of tax	35,752,856									
Unappropriated profit	129,262,746									
	<u>242,724,765</u>									

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

44.5 Derivatives Risk

The policy guidelines for Derivatives exposures are approved by the Board of Directors (BoD) on the recommendation of the Board Risk Management Committee (BRMC).

The responsibility for Derivatives activity lies with the Treasury and Global Markets business. Measurement and monitoring of market and credit risk limits and exposure, and reporting thereof to senior management and the BoD is done by Market Risk Management (MRM) which, in coordination with the business, also presents limits for review and approval to ALCO and the BRMC. Treasury Operations records derivatives activity in the Bank's books, executes settlements of trades and carries out regulatory reporting to the SBP.

44.5.1 Credit Risk

Credit risk is the risk of non-performance by a counterparty which could result in an adverse impact on the Bank's profitability. The Credit risk associated with derivative transactions is categorized into settlement risk and pre-settlement risk. Pre-settlement risk limits for derivative transactions are recommended by MRM for approval to the appropriate Credit Approval Authority.

44.5.2 Market Risk

The Bank, as a policy, hedges all Options transactions back-to-back. The Bank minimizes the exchange rate risk on its Cross Currency Swaps portfolio by hedging the exposure in the interbank market on a rolling basis. The Bank also manages the interest rate risk of Interest Rate Derivatives and Cross Currency Swaps through Price Value of a Basis Point (PVBP) limits which are monitored and reported by MRM to senior management on a daily basis. These limits are approved by ALCO annually and then approved by the BoD on the recommendations of the BRMC. However interim limit enhancements / amendments may also be sought.

44.5.3 Operational Risk

The Bank has put in place a robust control framework for derivatives transactions. Front office staff dealing in derivatives have the requisite training and experience to conduct this business; responsibilities have been divided amongst the Structuring Desk (tasked with the overall ownership of derivatives and structured products), Trading (which proactively manages the risk from a business perspective), and Treasury Sales (who are involved in marketing and executing transactions with the Bank's client base).

A detailed product program, approved by the Board of Directors, governs the entire value chain for Derivatives, including credit and market risk management, booking, sales practices and settlement. There is a clear segregation of duties whereby operational aspects are handled by Treasury Operations, whereas all Risk issues are the responsibility of the Risk department. A Treasury Middle Office function, reporting into Risk, carries out daily monitoring of exposures. Finally, Compliance monitors any deviation from approved policies and procedures. Internal Audit also regularly reviews systems, transactional processes, accounting practices and end-user roles and responsibilities as part of their reviews of this function.

The Bank uses a derivatives system – integrated into the Bank's core Treasury system - which provides an end-to-end valuation solution, supports the routine transactional process and provides analytical tools to measure various risk exposures and carry out stress tests and sensitivity analyses. MRM provides details of outstanding positions, profitability, risk exposures and limit compliance to senior management on a periodic basis.

44.5.4 Liquidity Risk

The types of Derivative transactions entered into by HBL are typically straightforward, or 'vanilla' transactions, whereby the Bank is exposed to a negligible amount of Liquidity Risk.

45 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 45.1 The Board of Directors, in its meeting held on February 24, 2022 has proposed a final cash dividend of Rs 2.25 per share for the year 2021. This is in addition to the Rs 5.25 already paid during the year bringing the total dividend for the year to Rs 7.50 per share (2020: Rs 4.25 per share). This appropriation is expected to be approved by the shareholders in the forthcoming Annual General Meeting. The unconsolidated financial statements for the year ended December 31, 2021 do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2022.

46 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on February 24, 2022.

47 GENERAL

- 47.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

ANNEXURE I: ISLAMIC BANKING BUSINESS

The Bank operates 259 (2020: 62) Islamic Banking branches and 614 (2020: 853) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION

Note 2021 2020
(Rupees in '000)

ASSETS

Cash and balances with treasury banks		28,015,270	12,685,357
Balances with other banks		1,162,953	85,710
Due from financial institutions	1	28,671,686	5,257,358
Investments	2	191,864,941	139,619,025
Islamic financing and related assets - net	3	166,058,790	153,363,009
Fixed assets		4,629,739	1,163,176
Intangible assets		-	-
Due from Head Office	4	-	90,320
Deferred tax assets		-	-
Other assets		12,962,183	6,132,151
		433,365,562	318,396,106

LIABILITIES

Bills payable		26,310	9,451
Due to financial institutions	5	31,567,668	32,183,448
Deposits and other accounts	6	346,895,368	257,414,395
Due to Head Office	4	11,439,635	12,444
Subordinated debt		-	-
Deferred tax liabilities		73,097	8,718
Other liabilities		15,554,392	6,000,269
		405,556,470	295,628,725

NET ASSETS

27,809,092	22,767,381
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REPRESENTED BY

Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of investments - net of tax		114,330	13,637
Unappropriated profit	8	27,194,762	22,253,744
		27,809,092	22,767,381

Contingencies and commitments

9

PROFIT AND LOSS ACCOUNT

Profit / return earned	10	24,109,086	22,162,393
Profit / return expensed	11	12,360,809	9,748,864
Net profit / return		11,748,277	12,413,529

Other income / (loss)

Fee and commission income		696,748	616,406
Dividend income		-	-
Foreign exchange loss		(20,401)	(69,214)
Income from derivatives		-	-
Loss on securities - net		(23,958)	(180,839)
Others		272	9,383
Total other income		652,661	375,736

Total income

12,400,938	12,789,265
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Other expenses

Operating expenses		4,149,716	2,209,871
Workers' Welfare Fund - charge		168,786	193,124
Other charges		2,803	14,111
Total other expenses		4,321,305	2,417,106

Profit before provisions

(Reversals) / provisions and write offs - net		8,079,633	10,372,159
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Profit before taxation

Taxation		(22,121)	907,348
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8,101,754	9,464,811
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3,159,684	3,696,779
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4,942,070	5,768,032
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ANNEXURE I: ISLAMIC BANKING BUSINESS

	Note	2021 (Rupees in '000)	2020
1 DUE FROM FINANCIAL INSTITUTIONS			
Call money lendings	1.2	24,500,000	-
Bai Muajjal receivable with :			
- State Bank of Pakistan		-	5,257,358
- Other Financial Institutions	1.3	4,171,686	-
		<u>28,671,686</u>	<u>5,257,358</u>

1.1 Amounts due from financial institutions are all in local currency.

1.2 Call money lendings carry mark-up at rates ranging from 10.00% to 10.30% per annum and are due to mature latest by February 02, 2022.

1.3 Bai Muajjal receivables with other financial institutions carry profit at 7.35% per annum and are due to mature latest by January 28, 2022.

2 INVESTMENTS BY SEGMENTS

	2021				2020			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								
Federal Government securities								
-Ijarah Sukuks	119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
Other Federal Government Securities	11,810,120	-	-	11,810,120	11,324,538	-	-	11,324,538
	<u>131,428,087</u>	<u>-</u>	<u>(537,141)</u>	<u>130,890,946</u>	<u>79,003,133</u>	<u>-</u>	<u>(322,645)</u>	<u>78,680,488</u>
Non-Government debt securities								
-Listed	47,325,231	-	681,000	48,006,231	47,291,628	-	322,500	47,614,128
-Unlisted	12,924,196	-	43,568	12,967,764	13,301,909	-	22,500	13,324,409
	<u>60,249,427</u>	<u>-</u>	<u>724,568</u>	<u>60,973,995</u>	<u>60,593,537</u>	<u>-</u>	<u>345,000</u>	<u>60,938,537</u>
Total Investments	<u>191,677,514</u>	<u>-</u>	<u>187,427</u>	<u>191,864,941</u>	<u>139,596,670</u>	<u>-</u>	<u>22,355</u>	<u>139,619,025</u>

	Note	2021 (Rupees in '000)	2020
3 ISLAMIC FINANCING AND RELATED ASSETS - NET			
Diminishing Musharakah		75,914,470	71,127,412
Running Musharakah		30,704,784	45,034,254
Wakalah		10,381,176	10,000,000
Ijarah	3.1	2,095,534	2,341,651
Murabaha	3.2	1,897,123	1,517,711
Currency Salam		195,118	589,706
Tijarah		2,058,785	422,168
Istisna		973,605	271,460
Musawamah		401,370	-
Home Financing		5,118,865	2,060,742
Advance for Diminishing Musharakah		3,573,753	2,320,561
Advance for Ijarah		1,208,139	312,748
Advance for Murabaha	3.2	8,687,338	1,203,371
Advance for Salam		1,228,367	1,027,180
Advance for Istisna		12,886,460	11,874,971
Advance for Musawamah		272,258	-
Inventories against Murabaha	3.2	2,438,918	2,204,687
Inventories against Tijarah		3,347,923	824,156
Inventories against Istisna		3,708,194	1,285,677
Islamic financing and related assets - gross		<u>167,092,180</u>	<u>154,418,455</u>
Provision against Islamic financing and related assets			
-Specific		(334,402)	(126,457)
-General		(698,988)	(928,989)
		<u>(1,033,390)</u>	<u>(1,055,446)</u>
Islamic financing and related assets - net of provision		<u>166,058,790</u>	<u>153,363,009</u>

ANNEXURE I: ISLAMIC BANKING BUSINESS

3.1 Ijarah

	2021						
	Cost			Accumulated Depreciation			Book value as at Dec 31, 2021
	As at Jan 01, 2021	Additions / (deletions)	As at Dec 31, 2021	As at Jan 01, 2021	Charge for the year	As at Dec 31, 2021	
	(Rupees in '000)						
Plant and machinery	933,485	786,521 (388,404)	1,331,602	264,301	276,355 (173,649)	367,007	964,595
Vehicles	2,615,928	474,905 (1,059,841)	2,030,992	943,461	487,613 (531,021)	900,053	1,130,939
Total	3,549,413	1,261,426 (1,448,245)	3,362,594	1,207,762	763,968 (704,670)	1,267,060	2,095,534
	2020						
	Cost			Accumulated Depreciation			Book value as at Dec 31, 2020
	As at Jan 01, 2020	Additions / (deletions)	As at Dec 31, 2020	As at Jan 01, 2020	Charge for the year	As at Dec 31, 2020	
	(Rupees in '000)						
Plant and machinery	1,275,454	640,863 (982,832)	933,485	706,677	345,091 (787,467)	264,301	669,184
Vehicles	2,431,272	1,030,381 (845,725)	2,615,928	828,541	567,234 (452,314)	943,461	1,672,467
Total	3,706,726	1,671,244 (1,828,557)	3,549,413	1,535,218	912,325 (1,239,781)	1,207,762	2,341,651

- 3.1.1 With effect from January 2021, the depreciation method of Ijarah Assets has been changed from reducing balance method to straight line method in order to ensure consistency with the Bank's depreciation method for the remainder of its fixed assets. The effect of this change in method on depreciation in the current year and the next year are as follows:

	2022	2021
	(Rupees in '000)	
Decrease in depreciation expense on Ijarah Assets:		
Machinery	132,059	48,383
Vehicles	156,582	125,786
	<u>288,641</u>	<u>174,169</u>

3.1.2 Future Ijarah payments receivable

	2021				2020			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
	(Rupees in '000)							
Ijarah rentals receivable	821,158	1,168,984	636,948	2,627,090	151,763	1,228,039	1,231,873	2,611,675

3.2 Murabaha	Note	2021	2020
		(Rupees in '000)	
Murabaha financing	3.2.1	1,897,123	1,517,711
Advances for Murabaha		8,687,338	1,203,371
Inventories against Murabaha		2,438,918	2,204,687
		<u>13,023,379</u>	<u>4,925,769</u>
3.2.1 Murabaha receivable - gross	3.2.1.1	1,915,375	1,526,183
Deferred murabaha income	3.2.1.2	(8,223)	(2,980)
Profit receivable shown in other assets		(10,029)	(5,492)
Murabaha financings		<u>1,897,123</u>	<u>1,517,711</u>
3.2.1.1 The movement in Murabaha financing during the year is as follows			
Opening balance		1,526,183	1,112,652
Sales during the year		27,740,135	14,035,709
Adjusted during the year		(27,350,943)	(13,622,178)
Closing balance		<u>1,915,375</u>	<u>1,526,183</u>
3.2.1.2 Deferred Murabaha income			
Opening balance		2,980	9,825
Arising during the year		650,102	611,469
Recognised during the year		(644,859)	(618,314)
Closing balance		<u>8,223</u>	<u>2,980</u>
3.2.1.3 Murabaha sale price		1,915,375	1,526,183
Murabaha purchase price		<u>(1,897,123)</u>	<u>(1,517,711)</u>
		<u>18,252</u>	<u>8,472</u>

ANNEXURE I: ISLAMIC BANKING BUSINESS

4 Due from Head Office mainly represents inter- branch transactions.

	Note	2021 (Rupees in '000)	2020
5 DUE TO FINANCIAL INSTITUTIONS			
Unsecured acceptances of funds	5.2	1,000,000	10,500,000
Acceptances from the SBP under:			
- Islamic export refinance scheme	5.3	20,029,111	12,185,727
- Islamic long term financing facility	5.4	5,892,219	4,774,050
- Islamic financing facility for renewable energy power plants	5.5	336,665	96,152
- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)	5.6	7,480	-
- Islamic refinance scheme for payment of wages and salaries	5.7	1,253,895	2,456,473
- Islamic temporary economic refinance facility	5.8	2,866,313	1,676,737
Acceptances from Pakistan Mortgage Refinance Company	5.10	181,985	494,309
		<u>31,567,668</u>	<u>32,183,448</u>

5.1 Amounts due to financial institutions are all in local currency.

5.2 Unsecured acceptances of funds carry profit at a rate of 10.05% (2020: 7.00% to 7.15%) and are due to mature latest by January 04, 2022.

5.3 The Bank has entered into an agreement with the SBP for extending Islamic export finance to customers. These carry profit at rates at ranging from 1.00% to 2.00% per annum (2020: 2.00% per annum) and are due to mature latest by December 03, 2022.

5.4 These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These carry profit at rates ranging from 2.00% to 2.50% per annum (2020: 2.00% to 2.50% per annum) and are due to mature latest by November 10, 2029.

5.5 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry profit at rates ranging from 2.00% to 3.00% per annum (2020: 2.00% per annum) and are due to mature latest by December 01, 2026.

5.6 These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises. These carry profit at a rate of 2.00% per annum (2020: Nil) and are due to mature latest by March 30, 2026.

5.7 These borrowings have been obtained from the SBP under a scheme to help businesses pay wages and salaries to their employees during the pandemic and thereby support continued employment. These carry profit at a rate of 0.00% (2020: 0.00% per annum) and are due to mature latest by October 01, 2022.

5.8 These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up new industrial units in the backdrop of challenges faced by industries during the pandemic. These carry profit at a rate of 1.00% (2020: 1.00% per annum) per annum and are due to mature latest by February 11, 2028. The maximum limit granted under this facility is Rs 5 billion per project with a tenor of 10 years, including a grace period of 2 years.

5.9 For all SBP borrowings, the SBP has a right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP.

5.10 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 181.985 million (2020: Rs 194.309 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (2020: 11.21% per annum) is payable semi-annually from August 2020.

6 DEPOSITS AND OTHER ACCOUNTS

	Note	2021			2020		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
		(Rupees in '000)					
Customers							
Current deposits		74,346,661	2,812,898	77,159,559	62,427,114	1,975,423	64,402,537
Savings deposits		123,817,395	860,050	124,677,445	104,594,520	695,996	105,290,516
Term deposits		37,250,613	224,478	37,475,091	23,958,921	262,397	24,221,318
		235,414,669	3,897,426	239,312,095	190,980,555	2,933,816	193,914,371
Financial Institutions							
Current deposits		628,929	-	628,929	405,136	-	405,136
Savings deposits		103,455,298	-	103,455,298	61,847,142	-	61,847,142
Term deposits		3,499,046	-	3,499,046	1,247,746	-	1,247,746
		107,583,273	-	107,583,273	63,500,024	-	63,500,024
	6.2	<u>342,997,942</u>	<u>3,897,426</u>	<u>346,895,368</u>	<u>254,480,579</u>	<u>2,933,816</u>	<u>257,414,395</u>

ANNEXURE I: ISLAMIC BANKING BUSINESS

		2021	2020	
		(Rupees in '000)		
6.1	Composition of deposits			
	- Individuals	137,652,291	111,256,207	
	- Government (Federal and Provincial)	15,877,953	16,065,576	
	- Banking Companies	1,330,231	1,202,181	
	- Non-Banking Financial Institutions	106,253,042	62,297,843	
	- Other public sector entities	2,708,961	4,346,517	
	- Other private sector entities	83,072,890	62,246,071	
		<u>346,895,368</u>	<u>257,414,395</u>	
6.2	This includes deposits amounting to Rs 160,236.723 million (2020: Rs 126,981.706 million) which are eligible to be covered under insurance arrangements .			
7	CHARITY FUND	Note	2021 2020 (Rupees in '000)	
	Opening balance		4,234	10,375
	Additions during the year			
	- Received from customers on account of delayed payment		45,256	2,827
	- Profit on charity saving account		175	1,032
			45,431	3,859
	Payments / Utilization during the year			
	- Health	7.1	(4,800)	(10,000)
	Closing balance		<u>44,865</u>	<u>4,234</u>
7.1	Details of charity payments			
	Details of charity payments individually exceeding Rs 100,000			
	Behbud Association Karachi		4,800	-
	Indus Hospital		-	5,000
	Layton Rahmatulla Benevolent Trust - LRBT		-	5,000
			<u>4,800</u>	<u>10,000</u>
8	ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT			
	Opening Balance		22,253,744	16,486,211
	Add: Islamic Banking profit for the year		8,101,754	9,464,811
	Less: Taxation		(3,159,684)	(3,696,779)
	Less: Transferred / Remitted to Head Office		(1,052)	(499)
	Closing Balance		<u>27,194,762</u>	<u>22,253,744</u>
9	CONTINGENCIES AND COMMITMENTS			
	- Guarantees	9.1	3,888,514	1,498,665
	- Commitments	9.2	52,852,441	7,917,674
			<u>56,740,955</u>	<u>9,416,339</u>
9.1	Guarantees:			
	Performance guarantees		2,446,959	1,435,850
	Other guarantees		1,441,555	62,815
			<u>3,888,514</u>	<u>1,498,665</u>
9.2	Commitments:			
	Trade-related contingent liabilities		34,659,479	6,208,476
	Commitments in respect of forward foreign exchange contracts		18,192,962	1,709,198
			<u>52,852,441</u>	<u>7,917,674</u>
9.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		9,520,227	740,199
	Sale		8,672,735	968,999
			<u>18,192,962</u>	<u>1,709,198</u>

ANNEXURE I: ISLAMIC BANKING BUSINESS

	Note	2021	2020
		(Rupees in '000)	
10	PROFIT / RETURN EARNED		
On:			
Financing		10,496,063	12,702,055
Investments		11,634,767	7,454,290
Amounts due from financial institutions		1,978,256	2,006,048
		<u>24,109,086</u>	<u>22,162,393</u>
11	PROFIT / RETURN EXPENSED		
On:			
Deposits and other accounts		10,732,901	8,596,732
Amounts due to financial institutions		1,371,877	931,183
Foreign currency deposits for Wa'ad based transactions		29,156	32,699
Lease liability against right-of-use assets		226,875	188,250
		<u>12,360,809</u>	<u>9,748,864</u>

12 The Islamic Banking Business maintains the following pools:

General Pool PKR (Mudarabah)

Remunerative rupee deposits of customers form part of the General Pool.

The objective of this pool is to effectively manage Rupee deposits of customers to earn and distribute returns from Rupee denominated earning assets. The funds in this pool are generally deployed in financing assets, placements with FIs and investments in Sukuks etc. A loss, if any, is borne by the depositors as per their proportionate share in the overall volume of the pool.

Special Pool PKR (Mudarabah)

HBL also manages a Rupee denominated Special Pool, with the objective of offering higher returns for selected clients.

The objective of this pool is to effectively manage Rupee deposits of customers to earn and distribute higher returns from Rupee denominated earning assets. The funds in this pool are generally deployed in financing assets, placement with FIs and investments in Sukuks etc. A loss, if any, is borne by the depositors as per their proportionate share in the overall volume of the pool.

Treasury Pool(s) (Mudarabah / Wakalah / Musharakah)

Treasury pools are created when the Bank accepts placement of funds from FIs for liquidity management. Treasury pools may be based on the principle of Mudarabah, Wakalah or Musharakah. These pools are maintained separately from depositors' pools as these are formed by funds from professional counterparties and are generally obtained for a shorter tenor. The liquidity can also be deployed to fund earning assets in the depositor pools. HBL preferably accepts funds from Islamic Banking Institutions but is permitted to deal with conventional banks as well.

General Pool FCY (Mudarabah)

Remunerative foreign currency (FCY) deposits of customers form part of the FCY General Pool.

The objective of this pool is to effectively manage the FCY deposits of customers to earn and distribute returns, generally from FCY denominated assets. However, in case FCY denominated assets are not available, the Bank may invest these funds in local currency assets by converting the funds to local currency and charging the cost of Shariah compliant hedging to the pool. The funds in this pool are generally deployed in financing assets, placement with FIs and investments in Sukuks etc. Loss (if any) is borne by the depositors as per their proportionate share in the overall volume of the pool.

Special Pool FCY (Mudarabah)

HBL also manages an FCY denominated Special Pool, with the objective of offering higher returns for selected clients.

The objective of this pool is to effectively manage FCY deposits of customers to earn and distribute higher returns, generally from FCY denominated assets. However, in case FCY denominated assets are not available, the Bank may invest these funds in local currency assets by converting the funds to local currency and charging the cost of Shariah compliant hedging to the pool. The funds in this pool are generally deployed in financing assets, placement with FIs and investments in Sukuks etc. Loss (if any) is borne by the depositors as per their proportionate share in the overall volume of the pool.

Islamic Export Refinance Scheme (IERS) Pool PKR (Musharakah)

IERS is an SBP program which offers the Islamic equivalent of conventional Export Refinance and enables exporters to avail refinance through Islamic Banks under Shariah compliant modes. This pool is created for the Export Refinance on Musharakah basis. The profit distribution works exactly the same as pre-agreed profit sharing. Since this is structured as a Musharakah (partnership) as opposed to Mudarabah (fund management), there is no Mudarib fee sharing mechanism.

ANNEXURE I: ISLAMIC BANKING BUSINESS

- 13 The Mudarib's share of profit is 25.88% (2020: 29.31%) and, after netting of Hiba to depositors amounting to Rs 504.73 million (2020: Rs 231.99 million), amounts to Rs. 3,657.724 million (2020: Rs 3,325.687 million). For the Bank's overseas branch, the Mudarib's share of profit is 7.75% (2020: 7.01%) and, after netting of Hiba to depositors amounting to Rs 3.124 million (2020: Rs 2.762 million), amounts to Rs 1.569 million (2020: Rs 0.997 million) was booked as net profit for 2021.
- 14 The following parameters are used for profit distribution from the pool:
- Permissible direct expenses can be charged to the relevant pool. Administrative and operating expenses are paid by the Mudarib and not charged to the relevant pool.
 - The Bank first charges the proportionate profit to average equity allocated to the pools and then charges the Mudarib fee before distribution of profit to depositors.
 - The Bank gives priority to depositors' funds over its own equity for placement in investing activities.
 - Provisions for non-performing accounts are borne by the Mudarib. These are only charged to the respective pool on write off.
 - Income generated from non-funded activities is not considered as income of the pool.
- 15 The average rate of profit earned on the earning assets of the Islamic banking business during the year was 8.03% (2020: 10.66%). A Profit rate of 4.90% (2020: 3.55%) was distributed to depositors and for overseas branch, the average rate of profit earned on the earning assets of the Islamic banking business during the year was 7.75% (2020: 7.01%). A Profit rate of 3.50% (2020: 5.01%) was distributed to depositors.

16 DEPLOYMENT OF MUDARABAH BASED DEPOSITS BY ECONOMIC SECTOR

	2021	2020
	(Rupees in '000)	
Agriculture, forestry, hunting and fishing	5,429,816	30,176,167
Automobile and transportation equipment	714,285	312,732
Cement	7,981,000	7,695,208
Chemicals and pharmaceuticals	11,106,945	16,521,180
Construction	7,000,000	4,525,668
Education and medical	245,455	120,258
Financial	134,611,794	80,463,006
Food, tobacco and beverages	18,588,497	9,038,833
Individuals	8,826,085	3,502,446
Others	23,497,163	3,424,636
Printing and publishing	1,772,668	2,135,904
Production and transmission of energy	94,229,544	94,273,638
Telecommunication	2,005,189	2,416,667
Textile	27,088,761	24,645,185
Metal and allied	9,730,538	6,409,504
Oil and gas	2,376,893	4,080,851
Mining and quarrying	604,774	665,765
Sugar	1,383,368	800,000
Wholesale and retail trade	1,764,346	2,829,832
Total gross Islamic financing and related assets and investments	358,957,121	294,037,480
Total lending to financial institutions	28,671,686	5,257,358
Total deployed funds	387,628,807	299,294,838

16.1 Deployment of Mudarabah based deposits by economic sector by public / private sector

Public / Government	231,444,305	195,730,530
Private	156,184,502	103,564,308
Total	387,628,807	299,294,838

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
1	ALMEHMOOD TRADERS UPPER PORTION, SHOP NO 82 GRAIN MARKET SARGODHA	MEHMOOD AHMED 38403-8952433-7	MUHAMMAD AMIN	1,000	2,229	-	3,229	-	-	2,229	-	2,229
2	RACHNA ENTERPRISES HOUSE 98 INDUS BLOCK DC COLONY GUJRANWALA CANTT	SALEEM RAZA 35200-1537019-1	SANA ULLAH	1,646	2,629	-	4,275	-	-	2,225	-	2,225
3	M BIAL TRADERS CHOWK SHAHEEDAN MULTAN	SHABBIR AHMED 36302-7679525-9	ABDUL GHAFOR	2,767	1,609	-	4,376	-	-	1,559	-	1,559
4	EDGE MAKER INDUSTRIES DHUNKAL ROAD NIZAMABAD WAZIRABAD PAKISTAN	TAHIR RAFIQUE 34104-7743544-7	MUHAMMAD RAFIQUE	6,226	2,094	-	8,320	-	-	2,094	-	2,094
		MUHAMMAD SAJID RAFIQUE 34104-2277168-3	MUHAMMAD RAFIQUE									
		MUHAMMAD ZAHID RAFIQUE 34104-8918355-7	MUHAMMAD RAFIQUE									
		MUHAMMAD SHAFIQUE 34104-8908950-7	MUHAMMAD RAFIQUE									
		MAJID RAFIQUE 34104-8909805-7	MUHAMMAD RAFIQUE									
5	FARZANA ANWER HOUSE A52 NEAR CHANDNI CHOWK COMMERCIAL AREA KOT GHULAM MUHAMMAD DISTT MIRPURKHAS	41304-6582487-4	MUHAMMAD ANWAR KHAN	999	758	-	1,758	-	-	758	-	758
6	MASOOD FARID RICE MILLS CHAK NO 50-GD NOOR SHAH P/O SAME NOOR SHAH DISTT SAHWIAL	MUHAMMAD SHARIF 36502-1325175-7	AHMED SAEED	4,812	2,185	-	6,997	-	-	2,171	-	2,171
7	HAKIM MUKHTAR AHMED KOT SARAJ DIN MASMULA FUTO KE P/O LANDE WALA TEH CHUNIAN	35101-2454482-5	CH. SARAJ DIN	2,000	713	-	2,713	-	-	713	-	713
8	GHULAM RASOOL CHAK SUJAYLI P/O HAVELI LAKHA TEH DEPALPUR DISTT OKARA	35301-8799405-5	MUHAMMAD NAWAZ	1,500	898	-	2,398	-	-	898	-	898
9	MAQBOOL AND SONS 26-12 B - 1,MAIN MARKET TOWNSHIP LAHORE	S. MAQBOOL HUSSAIN 35202-2717515-9	S. NAZIR HUSSAIN SHAH	24,000	6,748	-	30,748	-	-	6,748	-	6,748
		S. MUMTAZ HUSSAIN 35202-2717490-5	S. MAQBOOL HUSSAIN SHAH									
		S. IMTIAZ HUSSAIN 35202-2717507-9	S. MAQBOOL HUSSAIN SHAH									

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
10	RASHID MUNEER URF TIPU CHAK NO 10 NB P/O SAME TEHSIL BHALWAL SARGODHA	38401-9037213-3	MUMTAZ AHMAD	500	856	-	1,356	-	-	856	-	856
11	CHAUDERY AND CO VILL GHALLA MANDI NOKHAR P/O SAME DISTT GUJRANWALA	MUHAMMAD SHAFI 34103-0486111-9	HAKIM DIN	900	1,130	-	2,030	-	-	980	-	980
12	RANA SILK CENTRE HIGH WAY ROAD DAHRANWALA P O DAHRANWALA TEHSIL CHISHTIAN DISTT BAHAWALNAGAR	ABID HUSSAIN 31102-6036748-5	KHUSHI MUHAMMAD	3,999	3,306	-	7,305	-	-	3,304	-	3,304
13	RANA OIL TRADER & AGRI CENTRE CHAK NO 174/MURAD PO DAHRANWALA TEHSIL CHISHTIAN	MOHAMMAD SAJID 31102-0193053-7	KHUSHI MUHAMMAD	3,200	2,649	-	5,849	-	-	2,649	-	2,649
14	BISMILLAH AGRO AND SPARE PARTS RASOOL NAGAR ROAD SAROKI CHEEMA P/O SAME TEH WAZIRABAD	FAQEER HUSSAIN 34104-6300572-1 NAVEED AKHTER 34104-8432699-1	MUHAMMAD SHARIF GHULAM MOOHIUDDIN	600	680	-	1,280	-	-	655	-	655
15	AWAIS BARTAN STORE 13/14 COLLEGE ROAD MOHALLA ISLAMABAD NEAR ALMIRAJ BAKER GUJRANWALA	ARIF YOUSAF 34101-2452749-1	MUHAMMAD YOUSAF	-	2,166	-	2,166	-	-	1,916	-	1,916
16	ADNAN FURNISHERS G.T.ROAD BY PASS GUJRAT	IMRAN AHMED 34201-5705553-5	MAQBOOL AHMED CH.	5,000	4,095	-	9,095	-	-	3,991	-	3,991
17	HAMZA AND BROTHERS C/O SHAUKAT RICE MILLS NEAR RAILYWAY STATION KAMOKE,DISTT.GUJRANWALA.	NADEEM AKHTAR 34102-4986289-5	NOSHAD ALI KHAN	3,127	1,806	-	4,933	-	-	1,783	-	1,783
18	ABDUL HASEEB MUHALLAH OFF CAR COLONY NEAR GOVT DEGREE COLLEGE SHEIKHUPURA	35404-8250742-7	ABDUL RAUF	1,495	1,391	-	2,886	-	-	1,166	-	1,166
19	MAJOR RICE CORPORATION MAJOR PAYLAS ARAIN TOWN BUDHU RATA ROAD NOWSHERA VISKAN GUJRRAWALA	CH MUMTAZ NAZAR 34103-0534717-5	CH NAZAR ALI	4,800	2,804	-	7,604	-	-	2,304	-	2,304
20	IRHAM STEEL CASTING SMALL INDUSTRIAL ESTATE DASKA	SHAFAT ALI 34101-2435177-9	MUHAMMAD SHARIF	300	1,290	-	1,590	-	-	1,230	-	1,230

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
21	AKBAR ALI VILLAGE KHAKI P/O KOT ABDUL MALIK TEHSILE FEROZEWALA DISTT SHEIKHUPURA	35401-9703474-3	NOOR MOHAMMAD	795	721	-	1,515	-	-	720	-	720
22	GENERAL SOAP INDUSTRIES F-87 S.I.T.E KARACHI	ANWARUL HAQ 42000-0378042-7 ZIAUL HAQ 42301-0885842-9 MAHMOODUL HASSAN 42301-3063939-7 MUHAMMAD KHALID 42301-5271718-7	HAFIZ AHMED HASSAN AHMED HASSAN FEROZ UDDIN MUHAMMAD SALEEM	30,000	7,797	-	37,797	-	-	7,114	-	7,114
23	REX IMPEX CHAK NO 10 N.B QUDRATABAD TEHSIL BHALWAL DISTRICT SARGODHA	CH UBAID ULLAH 38401-0235555-1 ASAD ULLAH 38401-0160641-1	AIJAZ AHMED AIJAZ AHMED	9,500	3,734	-	13,234	-	-	3,734	-	3,734
24	IJAZ AHMED CHAK NO 89 SB P.O KHAS TEH & DISTT SARGODHA	38403-0245281-5	FATEH MUHAMMAD	1,500	514	-	2,013	-	-	514	-	514
25	QUALITY THREAD INDUSTRIES MAIN JHUMRA ROAD OPP. NISHATABAD RAILWAY STATION NEAR NOOR FITMA FAISALABAD	KHAWAJA MUHAMMAD USMAN 33100-0904173-7	KHAWAJA MUHAMMAD SALEEM	3,146	1,429	-	4,575	-	-	1,175	-	1,175
26	HADI TRAVEL LTD B-18 BLOCK 5 GULSHAN E IQBAL KARACHI	SYED ALI IMAM 42201-3182735-1 SYED FAZAL IMAM 42201-2886647-7	SYED HADI IMAM SYED HADI IMAM	65,819	8,102	-	73,920	-	-	6,602	-	6,602
27	HAROON KHAN ALFAIZ HOUSE HOUSE NO 429 NEAR CONCEPT SCHOOL AND QURAN ACADEMY NAQHBAND COLONY RASHEEDABAD MULTAN	36602-2804005-7	KHIZAR HAYAT KHAN	3,700	828	-	4,528	-	-	828	-	828

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
28	HUSSAIN FLOUR AND GENERAL MILLS FSD CHAK NO228 RB 7 KM BY PASS CHOWK MAKUANA JARANWALA ROAD FAISALABAD	MUHAMMAD AQEEL 33100-1042923-3 MUHAMMAD YOUSAF 33301-2107652-7 SHAMIM AKHTAR 33301-2036834-8 MEMONA NASREEN 33100-8067385-4 SHAFIQ AHMED 33100-2086486-1 MUHAMMAD SALEEM 33100-4370983-7	RANA HUSSAIN AHMAD KHAN HUSSAIN KHAN MUHAMMAD YOUSAF RANA SHAKEEL AHMAD RANA HUSSAIN AHMAD KHAN HUSSAIN AHMAD KHAN	13,999	5,566	-	19,565	-	-	4,565	-	4,565
29	MUHAMMAD ABID KHAN MOHALLAH MAQLOOK KHEL VPO ROKHRI TEH.MIANWALI DISTT MIANWALI	38302-1068686-3	KHAN ZAMAN	1,998	751	-	2,749	-	-	749	-	749
30	MIAN SAJJAD HUSSAIN PERZADA MOZA SHEIKHWAHIN PO KHAS TEH KAHROOR PACCA TEHSIL KHAIRPUR TAMIWALI BAHAWALPUR	31202-8173227-9	MIAN SHAHNAWAZ KHAN PIRZADA	8,499	1,833	-	10,332	-	-	1,830	-	1,830
31	GHULAM MUHAMMAD ALI AKBAR AOUN HOUSE NO. 52/101 SINAWAN MOHALLA KHAR WALA P/O SINAWAN TEH,KOT ADDU DISTT.MUZAFFAR GARH	32303-0618545-1	GHULAM SHABBIR	900	569	-	1,469	-	-	569	-	569
32	NASEER AHMED CHAK VIRKAN P.O CHABBA SANDWAN TEH NOWSHERA VIRKAN DISTT GUJRANWALA	34103-2370763-7	MANZOOR AHMED	2,500	1,093	-	3,593	-	-	1,093	-	1,093
33	ZAKA ULLAH KALSIAN DHIOTHRAN P/O CHABBA SANDWA DISTT GUJRANWALA	34103-0535130-1	MUHAMMAD KHAN	2,200	1,543	-	3,743	-	-	1,389	-	1,389
34	PAKISTAN AUTO INDUSTRIES SUITE # 223,2ND FLOOR,THE PLAZA DO TALWAR,KARACHI	OMAR DANIAL BAWEJA 42301-3857295-9 FIZA AHMED 42301-5766535-8	S.MEHMOOD BAWEJA OMAR DANIAL BAWEJA	135,000	6,652	-	141,652	-	-	1,187	5,464	6,652

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
35	KHAN & COMPANY MEZANINE FLOOR SHOP NO 34 AL-HYDRI MEMORIAL MARKET BLOCK-E NORTH NAZIMABAD KARACHI	SHADAN JAMIL KHAN 42000-1688237-7 ALIYA FARHAN 42101-1746774-6	ABDUL JAMIL KHAN FARHAN JAMIL KHAN	2,971	3,963	-	6,934	-	-	3,963	-	3,963
36	MUHAMMAD IHSAN CHAK # 426 JB P/O CHAK # 424 JB TEHSIL GOJRA DISTT TOBA TEK SINGH	33301-6209627-3	MUHAMMAD ISHAQ	1,360	649	-	2,009	-	-	648	-	648
37	ASAD ALAM KHAN KHAN KHACHI MOUZA BASTI FADDA TEHSIL MAILSI DISTT VEHARI	36602-0139781-7	RAB NAWAZ KHAN	1,646	1,442	-	3,088	-	-	1,438	-	1,438
38	SHAIKH BARKAT ALI HOSEIRY GEN. TARIQ ROAD SHOP NO.13 OPP. CANT. BOARD MULTAN	SH. MUHAMMAD IRSHAD 36302-4852879-9	BARKAT ALI	1,301	1,682	-	2,984	-	-	1,438	242	1,680
39	SYED SAEED ABBAS H NO 25 SHAMSABAD COLONY MULTAN	36302-7747117-7	SYED NAJAM UL HASSAN GARD	2,615	1,277	-	3,891	-	-	921	-	921
40	NAZ JEELANI VILLAGE VANIKAY TARAR TEH AND DISTT HAFIZABAD	34301-4418089-7	CH. PEER MUHAMMAD	800	714	-	1,514	-	-	714	-	714
41	AHMED RAZA OFFICERS COLONY, NEAR GOVT. DEGREE COLLEGE SHEIKHUPURA DISTT. SHEIKHUPURA	35404-1509155-5	ABDUL RAUF	1,112	894	-	2,005	-	-	715	-	715
42	BILQUEES BEGUM HOUSE NO 3-B GULSHAN SAKHI SULTAN COLONY MDA CHOWK MULTAN	32303-6385683-4	MUHAMMAD BIN QASIM	2,788	1,127	-	3,915	-	-	1,015	-	1,015
43	NADEEM AKRAM CHAK NO 433 GB TEHSIL JARANWALA DISTRICT FAISALABAD	33104-6488465-5	MOHAMMAD AKRAM KHAN	-	735	-	735	-	-	735	-	735
44	KHALID & BROTHERS CLOTH HOUSE MALL RAOD QUAIDABAD DISTT. KHUSHAB	KHALID BASHIR 38201-1052719-3 WAQAR FAISAL 38201-5872570-5 SHAH ZAIB 38201-6805038-1	MUHAMMAD BASHIR MUHAMMAD SALEEM MUHAMMAD SALEEM	2,459	712	-	3,171	-	-	712	-	712

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
45	TAHIR AMIN KHAN HOUSE NO 2/A PRIMARY SCHOOL AREA SATELLITE TOWN BAHAWALPUR	31204-4347418-3	MUHAMMAD AMIN	3,984	1,965	-	5,949	-	-	1,949	-	1,949
46	SAQIB WEAVING FACTORY NEAR CENTRAL JAIL STOP JARANWALA ROAD FAISALABAD	SAQIB NIAZ 33100-0920826-1	NIAZ MUHAMMAD	9,988	5,220	-	15,208	-	-	5,087	-	5,087
47	AIJAZ ALI DEH 22 NUSRAT VILLAGE SALLEH SHAH PO 60 MILE TAL DISSTT NAWAB SHAH	45402-3239687-5	HAJI KHAN	800	500	-	1,300	-	-	500	-	500
48	SHEIKH MUHAMMAD USMAN NEX 7 NEW ELAHEE PARK AKBAR ROAD KACHUPURA, LAHORE	35202-3406658-1	SH ABDUL MANAN	11,767	10,656	-	22,423	-	-	10,656	-	10,656
49	IMRAN IQBAL DERA MAHAR AHMAD KHAN HERAL VILL.& P/O CHABBA PURANA TEH.BHALWAL DISTT.SARGODHA	38401-1844670-1	MOHAMMAD IQBAL	999	603	-	1,603	-	-	550	-	550
50	ASIM TRADERS GHALLA MANDI SHEIKHAN KAMOKE DISTT.GUJRANWALA	M. AMIR AZEEM 34102-7034107-7	MUHAMMAD AZEEM	3,000	931	-	3,931	-	-	881	-	881
51	MUHAMMAD KHALID VILL BERIWALA P O SAME TEH AND DISTT HAFIZABAD	34301-0501182-5	MUHAMMAD YAR	700	626	-	1,326	-	-	554	-	554
52	RANA ASAD AHMAD NOON GUJAR KHADDA H NO 109 KHALID COLONY MULTAN CANTT	36302-2132588-1	RANA IJAZ AHMED NOON	2,500	703	-	3,203	-	-	703	-	703
53	RANA EJAZ AHMED NOON 3-WALLAYAT ABAD COLONY MULTAN.NO-1 MULTAN	36302-6815380-7	RANA SHOKAT HAYAT NOON	8,000	2,286	-	10,286	-	-	2,286	-	2,286
54	MUHAMMAD YAR GENERAL STORE SARANAN CHAMAN ROAD	MUHAMMAD SIDDIQUE 54303-2016889-1	MUHAMMAD YAR	1,600	1,234	-	2,834	-	-	1,234	-	1,234
55	SYED ROSHAN ALI SHAH BAKHU SHAH DEPALPUR TEH DEPALPUR DISTT OKARA	35301-1993000-7	FAIZ ALI	498	1,696	-	2,194	-	-	1,594	-	1,594

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
56	SYED ISHTIAQ HUSSAIN SHAH MOUZZA ABLANI, BASTI KHUAJA BUX PO SHAH PUR TEH HASILPUR DISTT BAHAWALPUR	31203-4871142-1	SYED MANZOOR HUSSAIN	1,203	678	-	1,881	-	-	678	-	678
57	JALAL AGRO SERVICE COMISSSON AGENT GRAIN MARKET HASILPUR (CITY) TEH.HASIL PUR DISTT BAHAWALPUR	MUHAMMAD JALAL DOULTANA 31203-4329476-9	ABDUL SHAKOOR KHAN	6,246	3,483	-	9,729	-	-	3,483	-	3,483
58	SHAFQAT RAUF VIRK H NO 13 E 1 WAPDA TOWN LAHORE	34101-6764595-9	BASHIR AHMED VIRK	2,500	1,269	-	3,769	-	-	1,169	-	1,169
59	SARDAR KHAZZAR HAYAT MOUZA BAQAR KAY P/O DHOLLAN HITHER TEH & DISTT KASUR	35102-0582346-7	NIZAM DIN	2,003	613	-	2,617	-	-	613	-	613
60	RIAZ AHMAD BEHAK AHMAD YAR PO VANIKAY TARAR TEH AND DISTT HAFIZABAD	34301-1764020-9	SHER MUHAMMAD	2,000	1,166	-	3,166	-	-	1,095	-	1,095
61	SHAUKAT HAYAT KHAN VILL MADAD KHAIL PO TEHSIL DISTT MIANWALI	38302-7505045-3	MAHR KHAN	1,880	1,027	-	2,907	-	-	627	-	627
62	MOHAMMAD IMRAN WASEEM V QILA NATHASING P/O TALVENDI TEH CHUNIAN	35101-2557725-5	MOHAMMAD HAYAT	539	639	-	1,178	-	-	578	-	578
63	KHAZIR ABBAS MOHALLAH DAURSUL QARAN ALI PUR CHATTA TEH WAZIRABAD DISTT GUJRANWALA	34104-2316216-5	CH. GHULAM ABBAS	900	973	-	1,873	-	-	973	-	973
64	BASHRAT MAHMOOD CHAK NO 35 SB TEH.SARGODHA DISTT.SARGODHA	38403-0391350-1	AKBAR LAI	2,499	1,249	-	3,749	-	-	749	-	749
65	MUHAMMAD YOUSAF & COMPANY CALTAX PETROL PUMP HAJI ABAD SHEIKHUPURA ROAD FAISALABAD	MIAN ANJUM YOUSAF 33100-0670939-9	MUHAMMAD YOUSAF	29,993	16,555	-	46,548	-	-	16,153	-	16,153
66	BANNU MIANWALI PETROLEUM SERVICE TALAGANG ROAD RIKHI MOUZA KALRI DISTT. MIANWALI	JAVED SHAKEEL 38302-1104949-9	FATEH MUHAMMAD	2,000	557	-	2,557	-	-	557	-	557

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
67	TALAT KHAN NASHTAR ROAD MOHALLA HAMEED PURA COLONY 3, BAITUL RAFIQ DISTRICT MIRPUR KHAS	44103-1615861-0	RAEES AHMED KHAN	600	681	-	1,281	-	-	611	-	611
68	ARIF HUSSAIN MOH JAN MOAMMAD CONTRACTOR PIPLAN DISTT MIANWALI	38303-1009076-9	NOOR MUHAMMAD	1,090	566	-	1,656	-	-	566	-	566
69	ZIA UR REHMAN NEAR MASJID ARIAN WALI FADDA P/O & TEHSIL MAILSI DISTT VEHARI	36602-0922103-7	SHAH BEHRAM	704	585	-	1,289	-	-	584	-	584
70	ZAFAR UZ ZAMAN MEHDI CHAK NO.135 GB TEH.SAMUNDRI DISTT.FAISALABAD	33105-0326722-3	NAZIR AHMED	2,501	828	-	3,329	-	-	828	-	828
71	SHAHID NAZIR VILLAGE GUMTALA TEHSIL SHAKAR GARH DISTT NAROWAL	34502-3078438-5	NAZIR AHMAD	2,500	1,612	-	4,112	-	-	1,612	-	1,612
72	MALIK AZHAR IQBAL AWAN WALA JHAWARIAN TEH SHAH PUR DISTT SARGODHA	38404-2589403-7	MALIK NAZAR HAYAT	1,400	558	-	1,958	-	-	558	-	558
73	MEHR MUHAMMAD AKRAM LAK HUSSAIN VILLAGE AND POST OFFICE MARI TEHSIL AND DISTT SARGODHA	38403-2177485-5	MEHR SHAH MUHAMMAD	750	975	-	1,725	-	-	975	-	975
74	DHA COGEN LIMITED D-35, BLOCK 5,CLIFTON,KARACHI	BRIG.HAFEEZ ULLAH KHAN 17201-9503417-9 COL(RETD) ASAD NAUMAN 42501-7319209-9 COL.RASHID JAVED BUTT 17201-2298690-5 COL(RETD) MUBARAK ALI MAZHAR 35202-2458512-7 MUHAMMAD TAHA HAMDANI 42301-3539796-9 KHURRAM NOOR 42101-1583659-7 COL(RETD) ARSHAD QADEER SHEIKH 42101-1643040-3	NASRULLAH KHAN SAEED UR REHMAN QURESHI MUHAMMAD JHANGHEER BUTT MUHAMMAD SHARIF SADIQ ALI HAMDANI NOOR UL HASSAN SIDDIQUI ABDUL QADEER	1,726,437	1,684,634	-	3,411,070	1,598,749	-	1,684,634	-	3,283,383

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
75	AZAM ALI VILLAGE AND P/O CHANGI TEH DASKA DISTT SIALKOT	34601-1282896-7	CHAO KHAN	2,500	1,651	-	4,151	-	-	1,451	-	1,451
76	GHULAM NABI VILLAGE FAQIR MUHAMMAD AMIN MANGRIO THEBRI PO CHORE OLD	44107-3547020-3	FAQIR MUHAMMAD AMIN	986	1,070	-	2,056	-	-	1,056	-	1,056
77	IRFAN SATTAR HERDAVE PO SAME TEH.& DIST.SHEIKHUPURA	35404-4814755-7	ABDUL SATTAR	3,588	1,933	-	5,521	-	-	1,931	-	1,931
78	MUHAMMAD ARSHAD VILL KORIKY P/O KHAS TEH DASKA DISTT SIALKOT	34601-5836945-5	ABDUL GHANI	1,700	1,278	-	2,978	-	-	818	-	818
79	SAIFULLAH VILLAGE CHAK ALAUDDIN P/O SAME TEH.PASRUR DISTT.SIALKOT	34102-3025080-9	GHULAM NABI	2,000	924	-	2,924	-	-	924	-	924
80	GHULAM ABBAS CHAK NO 9/3.R P-O CHAK NO 25/3.R TEHSIL HAROON ABAD	31104-1703808-9	NAZIR AHMAD	1,200	649	-	1,849	-	-	649	-	649
81	MUHAMMAD KHAN TARAR V MUZAFAR NAO PO VANEYKEY TARAR TEH & DIS HFZ	34301-1667571-9	MUHAMMAD HUSSAIN TARAR	1,800	774	-	2,574	-	-	774	-	774
82	MAZHAR IQBAL MOUZA AZIZ P O CHINIOT TEHSIL AND DISTRICT CHINIOT	33201-1564388-1	AHMAD BAKSH	2,000	631	-	2,631	-	-	631	-	631
83	MUHAMMAD HANIF NASTI MANSAB WALA TOBA REHMAN SHAH POST OFFICE DUNGA BUNGA TEH AND DIST BAHAWALNAGAR	31101-1661618-3	MASWAR KHAN	1,200	504	-	1,704	-	-	504	-	504
84	MOHAMMAD ILYAS DHAMOKE TEHSIL DASKA SIALKOT	34601-2641307-1	MUHAMMAD SHARIF	2,000	1,157	-	3,157	-	-	657	-	657
85	SAKHI RICE TRADERS DHAMRAH ROAD NEAR CENTRAL JAIL LARKANA	SHOEBAN ALI 43203-4685967-5	RAJIB ALI MAHESAR	9,997	3,166	-	13,163	-	-	2,609	-	2,609

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
86	MEHR FLOUR MILLS SAFARI VILLAS, HOUSE # 477, MOHALLAH BAHRIA TOWN, SECTOR B, LAHORE	MUHAMMAD ASLAM 35201-7362414-3	MEHAR ALLAH RAKHA	13,980	14,148	-	28,129	-	-	13,499	629	14,129
87	RAO ASIF ALI DEARA RAO MOHSIN ALI BAIT KHAN WALA PO MIR HAZAR KHAN TEH JATOI	32302-3889075-5	RAO SAFDAR ALI	4,999	1,338	-	6,337	-	-	1,337	-	1,337
88	REHMAT ALI CHAK NO 32 JB TEH DISTT FAISALABAD	33100-7855638-5	SHER MUHAMMAD	4,273	3,214	-	7,488	-	-	2,088	-	2,088
89	TAJ TEXTILE MILLS LIMITED 31 C-1 GHALIB ROAD GULBERG-III LAHORE	JEHANGHIR ELAHI 35202-2561094-5 TANVIR ELAHI 35200-5522225-3 SHAHIRUKH ELAHI 35202-6374883-5 AMIR JEKANGHIR 35202-0676798-7 SH. MUHAMMAD ASHRAF 35202-9135980-9 TARIQ LATIF 35201-8390613-3 MOHAMMAD ASHFAQ NADEEM 35202-5269188-9	SHAIKH EHSAN ELAHI EHSAN ELAHI TANVIR ELAHI JEHANGIR ELAHI SH. NASIR UDDIN ABDUL LATIF MOHAMMAD BASHIR	70,741	105,313	-	176,055	27,511	-	105,313	-	132,824
90	MLW IND PVT LTD (FORMLY. GARTER IND) 69/7 GREEN VILLAS FCC SYED MARATAB ALI ROAD GULBERG-IV LAHORE	MUHAMMAD NASIM NIAZ 35202-0794596-7 ABDUL REHMAN 35202-3038102-9	CH. NIAZ MUHAMMAD JAMEEL AHMED	28,740	21,822	-	50,561	-	-	21,822	-	21,822
91	DECENT AUTO 51-MONTGOMERY ROAD LAHORE	AYAZ ASIF 35202-4884263-3	RANA MUHAMMAD ASIF	9,918	2,883	-	12,801	-	-	1,662	-	1,662
92	KOREA MOTORS 51-MONTGOMRY ROAD LAHORE	MAHMOOD ASIF 35202-8380460-9	RANA MUHAMMAD ASIF	9,988	2,917	-	12,905	-	-	1,691	-	1,691
93	MUHAMMAD AAMIR CHAK NO. 713 GB P.O KAMALIA DISTT.T.T.SINGH	33302-2195015-9	MUHAMMAD ASLAM	2,205	1,235	-	3,441	-	-	1,235	-	1,235

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
94	WAQAS OIL MILLS DHUPAI ROAD 19/SP PAK PATTAN	ZAFAR IQBAL 36402-9985798-5 TAHIR IQBAL 36402-1924503-3 SHAHID IQBAL 36402-2901740-5 KASHIF IQBAL 36402-6490043-1	NOOR DIN ZAFAR IQBAL ZAFAR IQBAL ZAFAR IQBAL	3,988	2,505	-	6,493	-	-	2,405	-	2,405
95	DILSHAD AHMED BASTI UMAR ABAD MOUZZA TALHAR PO KHAS TEH HASILPUR DISTT BAHAWALPUR	31203-1849597-5	M IBRAHIM	3,000	793	-	3,793	-	-	793	-	793
96	NASARULLAH KHAN CHAK NO.98 NB DISTT. SARGODHA	38403-2139242-7	ALLAH DITTA	1,599	1,238	-	2,837	-	-	958	-	958
97	MUHAMMAD ABDULLAH KOT MUHAMMAD ISHAQ ATTARI KARAM SING POST OFFICE TALVANDI TEHSIL CHUNIAN DISTT KASUR	35101-2517051-7	MUHAMMAD ISHAQ	1,300	581	-	1,881	-	-	581	-	581
98	MIAN ELECTRONICS KASUR ROAD ELLAHABAD CHOWK ALLAHABAD TEHSIL CHUNIAN DISTT KASUR	MUHAMMAD ASHRAF 35101-4010087-3	MUHAMMAD ISHAQ	5,000	1,201	-	6,201	-	-	1,201	-	1,201
99	ZAINA INTERNATIONAL P 2413 BLOCK NO 37 SAMANABAD FAISALABAD	OMAR MUKHTAR 37405-0629804-9	CH. MUHAMMAD MUKHTAR	3,999	801	-	4,799	-	-	799	-	799
100	POSHAK MAHAL HOUSE NO 710STREET NO 5 SORI GALLI BLOCK NO 4 CHICHAWATNI DISTT SAHIWAL	MAQSOOD SAEED 36501-8323450-3	KHUSHI MUHAMMAD	1,672	581	-	2,253	-	-	578	-	578
101	ASGHAR COMMISSION SHOP GHALLAH MANDI SAHIWAL	ASGHAR ALI 36502-4378870-7	ABDUL AZIZ	699	853	-	1,552	-	-	851	-	851
102	UNCLE NEPHEW ENTERPRISES C/O KHAWRI & CO G T ROAD WAZIRABAD DISTT GUJRANWALA	SAJJAD AHMED KHOKHAR 34104-2268255-7	MUSHTAQ AHMAD	3,140	3,454	-	6,594	-	-	3,094	-	3,094
103	PAKEEZA FOODS 36-S BASTAMI ROAD SAMANABAD LAHORE	MIAN AMJAD IQBAL 35202-2908285-1	JAN MUHAMMAD	19,991	11,323	-	31,314	-	-	8,814	-	8,814

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
104	MIACO INTL 1 B MODEL TOWN LAHORE	ASIF NAZIR KHAN 35202-2341901-1 SIKANDREEN HASSAN 35201-7939320-0	AKHTAR NAZIR KHAN FAISAL HASSAN	58,390	33,341	-	91,732	-	-	33,215	-	33,215
105	TARIQ & SONS 35-E MODEL TOWN LAHORE	MIAN TARIQ MAHMOOD 35202-2975592-7	MIAN ZAHOOR UL HAQ	7,981	3,340	-	11,321	-	-	3,340	-	3,340
106	MERCANTILE PACKAGES 42 CHAMBER LANE ROAD LAHORE	MUHAMMAD IQBAL CHAUDHRY 35202-2999122-9	MUHAMMAD YOUSAF CHAUDHRY	9,000	2,821	-	11,821	-	-	2,085	-	2,085
107	MUHAMMAD PERVAIZ MADNI KANWAIN WALA P/O KHAS TEH LALIAN DISTT CHINIOT	33201-4929314-5	KHIZAR HAYAT	4,999	1,531	-	6,530	-	-	1,147	-	1,147
108	ABDUL MUNAF RATTEKI P.O. PEER GHANI TEHSIL DEPALPUR DISTT OKARA	35301-4263897-1	MUHAMMAD SHAFIQUE	998	690	-	1,688	-	-	688	-	688
109	MILLAT RICE MILLS WANYAWALA SIALKOT BYE PASS GUJRANWALA	MUHAMMAD SAEED AHMED BUTT 34101-2345700-1 HINA BUTT 34101-5634737-4	MIAN INYATULLAH BUT JAWAD AHMED BUTT	19,999	15,169	-	35,168	-	-	11,668	-	11,668
110	M. ASIF ENTERPRIZES WANYWALA SIALKOT BYE PASS GUJRANWALA	NADEEM SAEED BUTT 34101-4458503-5 KHALIDA BUTT 34101-2272767-0	MUHAMMAD SAEED AHMED BUTT MUHAMMAD SAEED AHMED	14,999	11,414	-	26,413	-	-	8,914	-	8,914
111	MILLAT CNG FILLING STATION SIALKOT BYEPASS ROAD VANIWALA GUJRANWAL	M. SAEED AHMED BUTT 34101-2345700-1 M. AFZAL BUTT 34101-4954213-1 M. NADEEM SAEED BUTT 34101-4458503-5 HINA SAEED 34101-5634737-4	MIAN INYATULLAH BUTT MIAN INYATULLAH BUTT MUHAMMAD SAEED AHMED BUTT JAWAD AHMED BUTT	8,002	9,006	-	17,008	-	-	7,008	-	7,008
112	MUZZFFAR HUSSAIN BHATTI VILLAGE KOTLI NARGAT P/O GOLIAN TEH DASKA DISTT SIALKOT	34601-9718023-7	CH MUHAMMAD BASHIR	999	550	-	1,549	-	-	544	-	544
113	NOOR PIPE INDUSTRIES (PVT) LTD 1 QADDAFI MARKET CHOWK DALGRAN NISHTER ROAD BRANDRETH ROAD LAHORE	NOOR MUHAMMAD 35202-2731614-5 MUHAMMAD ANWAR 35202-2731620-1	SHOUKAT ALI NOOR MUHAMMAD	5,196	2,842	-	8,038	-	-	2,538	-	2,538

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
114	SITARA WEAVING INDUSTRIES KAMALIA ROAD TOBA TEK SINGH	MUHAMMAD IMRAN MAQBOOL 33303-6419108-1 MUHAMMAD MAQBOOL 33303-2177153-9 MUNEER AHMAD 33303-0843108-7 AZRA PARVEEN 33303-2097997-4	CH. MUHAMMAD MAQBOOL MUHAMMAD SHAFI NAZIR AHMED MUHAMMAD MAQBOOL	4,194	3,236	-	7,429	-	-	3,176	-	3,176
115	SAJID HAIDER MOUZA SHARAF P.O ENAITEE TEHSIL KHAIR PURTAMEWALI DISTT. BAHAWALPUR	31204-2833823-5	GHULAM HAIDER KHAN	2,000	933	-	2,933	-	-	933	-	933
116	ZEESHAN HAIDER PO INAYATI MOUZZA SHARRF TEH KHAIR PUR TAMEWALI DISTT BAHAWALPUR	31204-8760678-9	GHULAM MUHAMMAD	1,500	716	-	2,216	-	-	716	-	716
117	ALI SHER CHAK NO 601 GB JHOKE SAIFAL P/O TANDLIANWALA TEH.TANDLIAN WALA DISTT FAISALABAD	33106-0311415-9	NOOR MUHAMMAD	790	774	-	1,564	-	-	714	-	714
118	ASIF HAYAT GHULAPUR P/O SAME TEH. KOTMOMIN DISTT.SARGODHA	38401-7094419-9	MUHAMMAD AZAM	1,000	649	-	1,649	-	-	599	-	599
119	MUHAMMAD JAVED KHAN MOHALLAH KOZ KALEY TEH & P.O DARGAI DISTT MALAKAND	15401-6280870-1	TAJ MUHAMMAD KHAN	645	29	-	674	645	-	-	-	645
120	KAMRAN TEXTILES PVT LTD 5 KM JARANWALA ROAD KHURRIANWALA FAISALABAD	MUHAMMAD FAROOQ BASHIR 42000-0574080-9 MUHAMMAD SAJJID BASHIR 42000-0574079-5 JAWAD KAMRAN 42000-5672982-5 FAWAD KAMRAN 42000-5588432-5 FAHAD KAMRAN 42000-9558885-1	MUHAMMAD BASHIR SHEIKH MUHAMMAD BASHIR SHEIKH MUHAMMAD FAROOQ BASHIR MUHAMMAD FAROOQ BASHIR MUHAMMAD SAJID BASHIR	378,400	109,509	-	487,909	-	-	89,199	-	89,199
121	MUHAMMAD NAEEM CHAK DAULAT SUKHO TEH DISTT RAWALPINDI	37401-6323571-5	MUHAMMAD YOUSAF	564	200	-	764	564	-	200	-	764

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
122	KHUDA DAD SHAR VILLAGE HAJI MUHAMMAD ALI SHAR P.O SUI GASS TALKA THARI MIRWAH D/KHAIRPUR	45206-6804844-9	MUHAMMAD ALI SHAR	373	140	-	513	373	-	140	-	513
123	SAIF ULLAH HOUSE NO.8, STREET 1, KHADIMABAD COLONY, BAHAWALPUR	32203-9559158-3	GAMOON	458	95	-	553	458	-	95	-	553
124	LAAL SHAH ROOM 01 NLC PETROL PUMP SARAY MOHAJIR DISTT BHAKKAR	35302-8175154-3	SYED FIDA HUSSAIN SHAH	418	215	-	633	418	-	215	-	633
125	CATHERINE JAMIL POLOS HOUSE NO 56 GALI NO 2 SECTOR C MUHALLAH BHITTAI COLONY KORANGI CROSSING MALIR KARACHI	42501-0631483-6	JAMEEL POULUS	393	168	-	560	393	-	168	-	560
126	KHADIM HUSSAIN H 12 ST 13 MADINA COLONY REHMAT CHOWK LAHORE	35202-7132367-7	ALLAH YAR	418	189	-	608	418	-	189	-	608
127	KAMRAN ALI HOUSE NO 73 A MIAN WFAQI COLONY JOHAR TOWN LAHORE	34101-0809115-5	MUSHTAQ AHMED	415	184	-	599	415	-	184	-	599
128	ZAFAR IQBAL AKRAM KHAN DAGER BALA MAIN CHOK RAMDAS PESHAWAR	17201-2124201-9	RAHIM GUL	441	205	-	646	441	-	205	-	646
129	MUHAMMAD NOUMAN RAUF H NO 209 BLK 3 KARIM PARK RAVI ROAD LAHORE	42201-9035659-7	RAUF TARIQ	384	200	-	584	384	-	200	-	584
130	HASSAN ZAFAR 115-M UNIWORTH INDUSTRIAL ESTATE KOT LAKH PAT LAHORE	35202-4836313-1	ZAFAR IQBAL	394	208	-	602	394	-	208	-	602
131	AAMAR IQBAL QTR NO 2 OFFICER COLONY DISTT BHAKKAR	36501-4112040-9	MUHAMMAD IQBAL	369	172	-	541	369	-	172	-	541
132	TARIQ MAHMOOD HOUSE # P-50,215 RB,STREET # 1 GULSHAN JELANI FAISALABAD	33100-4940011-5	ABDUL HAMEED	395	209	-	604	395	-	209	-	604

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
133	MUHAMMAD SHAHBAZ MOH AZHAR TOWN MAIN BAZAR GALI NO 2 NEAR NTU FSD	33203-2665374-5	M RAMZAN	457	250	-	707	457	-	250	-	707
134	MUHAMMAD ARSHAD FITANI NEAR SHAHWALA BAGH BAHAWALPUR AHMED PUR EAST BAHAWALPUR	31201-0347159-9	KHADIM HUSSAIN	397	197	-	594	397	-	197	-	594
135	USMAN MANZOOR NO.9 KACHI ABAADI QUIDE ABAAD, P/O KHAAS, CHAK NO.72NP, TEH RAHIM YAR KHAN DISTT RAHIM YAR KHAN	31303-7217712-9	MANZOOR AHMAD	466	233	-	699	466	-	233	-	699
136	MUHAMMAD SAEED CHAK NO 438 GB TEH.SAMUNDARI DISTT. FAISALABAD	33105-5030108-7	MUHAMMAD MUSHTAQ	510	224	-	734	510	-	224	-	734
137	REHNUMA PUBLISHERS H#735 E CANAL VIEW HOUSING SOCIETY LAHORE	SHAHZAD MUZAMMIL 35202-9860371-3	MUHAMMAD MUZAMMAL	1,490	599	-	2,089	-	-	589	-	589
138	MIAN MUHAMMAD TAYYAB RAZA HOUSE NO 6-E MUHALLA OFFICERS COLONY MULTAN	36302-1284622-3	MIAN ZAKA SARDAR	1,221	900	-	2,120	-	-	720	-	720
139	PAK MADINA GARMENTS GALI ZAR GRAN MAIN BAZAR SHEIKHUPURA	M. TARIQ BHATTI 35404-6518790-7	MUHAMMAD MIRAJ DIN BHATTI	2,000	1,567	-	3,567	-	-	1,517	-	1,517
140	BASHIR AHMED BASTI ASLAM NOAI MOHALLAH FARID NAGAR PAKPATTAN	36402-5565293-7	NOOR MOHAMMAD	499	946	-	1,445	-	-	945	-	945
141	KHURRAM SHEHRZAD MALIK H NO 01 ST NO H BLOCK W NEW SATELITE TOWN SARGODHA	38403-2022017-9	MALIK NASRULLAH KHAN	779	532	-	1,311	-	-	531	-	531
142	REHMAN TRADERS C A 14 CHANDNI CHOWK UNIVERSITY ROAD KARACHI	FAZLUR REHMAN 42201-5141366-7	CH. ABDUL REHMAN	12,398	5,999	-	18,397	-	-	5,157	-	5,157
143	ABDUL JABBAR BROTHERS 935 P I B COLONY KARACHI	ABDUL JABBAR 42201-6977489-3	CH. ABDUL REHMAN	12,416	4,838	-	17,254	-	-	3,994	-	3,994

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
144	MUHAMMAD HUSSAIN CHAK NO 14 DNB P/O SAME TEHSIL YAZMAN DISTT BAHAWALPUR	31205-3672466-9	GHULAM MUHAMMAD	2,500	801	-	3,301	-	-	801	-	801
145	MUMTAZ HUSSAIN TARAR VILLAGE KOLO TARAR P/O KHAS TEH, DISTT. HAFIZABAD	35201-3077221-5	TAFFAZUL HUSSAIN TARAR	11,293	5,382	-	16,675	-	-	5,382	-	5,382
146	SHANDAR OIL MILLS MILL AREA GOLARCHI PO TALUKA GOLARCHI S.F.R, DISTT BADIN	PESU MAL 41304-2199441-7	NEBHAN DASS	4,998	2,692	-	7,690	-	-	2,488	-	2,488
147	ALAM TRADERS ZAFARWAL ROAD DHABLIWAL DISTT NAROWAL	MUHAMMAD NADEEM 34501-1990636-3	MUHAMMAD LATIF	2,500	927	-	3,426	-	-	737	-	737
148	MUQADDAS SILK CENTER 7 COMMERCIAL ZONE LIBERTY MARKET GULBERG LAHORE	JAMSHED MALIK 35202-7442980-7	ABDUL WAHID	20,986	12,783	-	33,769	-	-	12,530	-	12,530
149	ASHIQ HUSSAIN CHAK NO 345 JB TEHSIL GOJRA DISTT TOBA TEK SINGH	33301-4853959-3	MUHAMMAD DIN	1,218	571	-	1,790	-	-	567	-	567
150	GHULAM SAJAD NEAR GOVERNMENT PRIMERY SCHOOL MUHALLA KHALIQUE COLONY LARKANA	43203-2635414-5	ABDUL HAMEED KHOKHAR	1,343	312	-	1,655	473	-	310	-	783
151	SHAMA EXPORTS PVT LTD P- 225 TIKKA GALI # 2, MONTGOMERY BAZAR FAISALABAD	SHEIKH AKBAR ALI MUJAHID 33100-9008463-7 SHAHZAD IFTIKHAR 33102-1749610-3	MUHAMMAD ALI IFTIKHAR UD DIN	179,545	173,872	-	353,417	-	-	173,417	-	173,417
152	RAG TEXTILE MILLS PVT LTD CHOTA MUHAMMED WALA JARANWALA ROAD FAISALABAD	RANA MUHAMMAD AFZAL KHAN 33100-9697155-5 RANA ANWARUL HAQ KHAN 33100-7373689-5 RANA MUHAMMAD AZAM KHAN 33100-8846247-5 RANA MUHAMMAD MUZAMAL 33100-1910790-1 RANA SOHAIL ASHRAF 42501-8045974-9 RANA NAVEED ASHRAF 33100-5683041-1 RANA SHAHZAD ASHRAF 33100-1017075-3	HAJI ABDUL GHAFUOR RANA ABDUL GHAFUOR HAJI ABDUL GHAFUOR KHAN HAJI ABDUL GHAFUOR RANA MUHAMMAD ASHRAF RANA MUHAMMAD ASHRAF RANA MUHAMMAD ASHRAF	4,940	4,535	-	9,475	-	-	4,475	-	4,475

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
153	GHULAM MUSTAFA CHAK NO 1/4L P/O AHMED PUR SIAL TEH AHMED PUR SIAL DISTT JHANG	33204-0453423-3	AHMED NAWAZ	1,500	702	-	2,202	-	-	702	-	702
154	MUHAMMAD SAQLAIN BASTI RASHEED BAILA SARBANA PO HAVELI BAHADUR SHAH TEH. SHOTKOT DISTT. JHANG	33203-0104847-9	GHULAM SHABBIR	1,500	739	-	2,239	-	-	739	-	739
155	CHEEMA ZARI TRADERS SAROKI DISTT. GUJRANWALA	RIAZ AHMED CHEEMA 34104-0406485-7	CH KHUSHI MUHAMMAD	298	682	-	980	-	-	680	-	680
156	ZAHD HOUSE 146 STREET 5 NAWALANE MEHRAB KHAN ESSA KHAN ROAD GALI 5 LYARI KARACHI	42301-5672730-5	ABBAS	536	200	-	737	536	-	200	-	737
157	SHOUKAT HOUSE NO 1932 KL MOHALLAH KEHA L LINK RD TEHSIL AND DISTT ABBOTABAD DHQ HOSPITAL ISLAMABAD	13101-4887519-9	MEHBOOB KHAN	386	172	-	558	386	-	172	-	558
158	MUHAMMAD ZAFAR FLAT NO 24 4TH FLOOR TINY APPARTMEN BLOCK 7 FB AREA KHI NEAR SUNGAM GROUND, KARACHI	42201-4232930-1	MUHAMMAD ASGHAR	405	195	-	600	405	-	195	-	600
159	HASSAN MATI H NO 212, SHARFABAD KARACHI	42401-3805996-9	MUHAMMAD MATI UR REHMAN	354	213	-	568	354	-	213	-	568
160	MUHAMMAD YASIR H NO 1496 32 E NASIR COLONY KARACHI	42201-0737400-9	M TASLEEM	721	351	-	1,072	721	-	351	-	1,072
162	AMER SHAHZAD DD 453 II JHANDA CHICHI RAWALPINDI	37405-3590238-5	SAFDAR HUSSAIN	416	239	-	655	416	-	239	-	655
163	QURAT UL AIN HOUSE NO 326 HAJI NATHA KHAN KHOSO VILLAGE MODEL COLONY KARACHI	42201-8861752-0	M ASHRAF ALI KHAN	476	250	-	726	476	-	250	-	726

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
164	RAJA SARMAD KHAN H NO-CB-195, ST-17, MOH HAJIAN DHOKE SYEDAN, RAWALPINDI	37405-7525370-7	KHURSHID AHMED KHAN	428	223	-	651	428	-	223	-	651
165	SHOUKAT ALI ST 4 MOHALA MAIN BAZAR CHUNG MULTAN ROAD LAHORE	35202-2779696-3	IRSHAD UL HAQ	349	174	-	524	349	-	174	-	524
166	SUNEELA KANWAL MOHALLAH SEDAN SHAH UPPER MALL LAHORE	37406-3542717-2	AMANAT MASIH	358	145	-	503	358	-	145	-	503
167	SHABBIR AHMED CMEC THAR BLOCK-II EPTL PROJECT TEH ISLAMKOT THARPARKAR	43504-0394855-1	NIHAL KHAN	355	227	-	581	355	-	227	-	581
168	GHULAM QADIR MOHALLA ARSAR WARD NO 321 DHORO NARO TALUKA DISTT HYDERABAD	44107-2622824-1	AKBER ALI	432	240	-	672	432	-	240	-	672
169	CHUGHTAI SHOPPING MALL HALL ROAD OPPSITE MIRPUR PUBLIC PARK SECTOR F/1 MIRPUR AZAD KASHMIR	MOHAMMAD AMIN CHUGHTAI 61101-4734752-5 MOHAMMAD MUNIR 81301-7603187-1	ABDUL KARIM ABDUL KARIM	23,701	7,344	-	31,044	-	-	7,344	-	7,344
170	M.ISMAIL KHAN KOT KHAN POST OFFICE KHAS TEHSIL AND DISTT JHANG	33202-1344578-3	AMJID ALI KHAN	1,300	1,022	-	2,322	-	-	922	-	922
171	MUHAMMAD AKRAM MOHALLAH KILEAY KHEL P.O. PIPLAN TEH; PIPLAN DISTT; MIANWALI	38303-0963395-3	KHAN MUHAMMAD	1,999	1,395	-	3,394	-	-	1,294	-	1,294
172	MODREN FURNITURE HOUSE QADIR ABAD ROAD,NEAR PILOT SECONDARY SCHOOL TEH.PHALIA DISTT. MANDI BAHAUDDIN	MAZHAR IQBAL 34403-1890898-9	GHULAM RASOOL	2,000	705	-	2,705	-	-	602	-	602
173	SALMAN LALI HOUSE # 717, BLOCK E-2 WAPDA TOWN LAHORE	33201-5743170-1	MUHAMMAD ASAD LALI	997	950	-	1,947	-	-	847	-	847

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
174	MUHAMMAD SARFRAZ DERA MALANGAN WALA CHAK QAZI PO BHERA TEHSIL BHALWAL	38401-6851744-9	MUHAMMAD NAWAZ	1,199	800	-	2,000	-	-	800	-	800
175	TANVEER AHMAD UPPI P/O SAME TEH KOTMOMAN DISTT SARGODHA	38406-0412558-9	HASSAN ALI	1,989	964	-	2,953	-	-	953	-	953
176	MUHAMMAD HAYAT VILLAGE MUHAMMAD WALA P/O DERA JARA TEHSIL SAHIWAL DISTT SARGODHA	38402-6052387-1	FATEH MUHAMMAD	1,899	1,083	-	2,982	-	-	1,082	-	1,082
177	FABRICA MILLS PVT.LTD. 18-KM, OPP.ASHFAQ TEXTILE CHAK 211/R.B. MOUZA MUJAWARAN- WALA,JARANWALA ROAD, FAISALABAD	NOREEN FAISAL 42000-0503431-0 HINA MUBASHAR 42301-5395961-2 YASMEEN AZHAR 42101-1694357-4	FAISAL AZHAR MUBASHER AZHAR AZHAR HUSSAIN	28,559	13,773	-	42,332	-	-	11,854	1,918	13,772
178	SYED ALI ASGHAR SHAH BLOCK A/C 38 AKHTAR COTTAGES NEAR GULISTAN-E-SAJJAD HYDERABAD	41303-8115403-3	ALI HUSSAIN SHAH	699	739	-	1,438	-	-	738	-	738
179	AL-ABID SILK MILLS LTD. A-39, SITE, MANGOPIR ROAD, KARACHI	QAMAR MASHKOOR 42201-6780761-7 MUHAMMAD SAJID HAFEEZ 42101-3124729-3 AZIM AHMED 42301-0912143-9 SYED MUHAMMAD JAVED AZAM 42201-8147445-3 ADIA NASEEM 42301-0783384-4 SADAF NADEEM 42301-0878886-8 NASIM AHMED SATTAR 42301-0840043-1 SYED RAZA ABBAS JAFRI 42201-0215685-1	MASHKOOR AHMED EJAZ AHMED SIDDDQUI NASEEM AHMED SYED MUHAMMAD FAROOQ AZAM NASEEM AHMED SATTAR NADEEM YOUSAF SHEIKH ABDUL SATTAR SYED SHABAHAT HUSSAIN	825,579	394,283	-	1,219,862	598,252	-	394,283	-	992,535

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
180	CHIMERA PVT LTD 17 LAWARENCE ROAD LAHORE	AAMIR SALEEM ANWAR KHAN 35202-3418643-7 TAHIR SALEEM ANWAR KHAN 35202-2713059-9 NASIR SALEEM ANWAR KHAN 35200-6304912-5	MUHAMMAD ANWAR KHAN MUHAMMAD ANWAR KHAN MUHAMMAD ANWAR KHAN	71,072	51,294	-	122,366	-	-	31,318	-	31,318
181	ALHAJ SHAMSHER ELECTRONIC AND ELECT VIALLAGE WARI PAYEEN POST OFFICE WAR TEHSIL WARI DISTT DIR	SHAMSHER KHAN 15702-6786316-3	SHER ZADA	2,495	3,947	-	6,442	-	-	3,947	-	3,947
182	PAKHEIM INTERNATIONAL PHARMA PVT LTD 28-KM, FEROEZPUR ROAD, LAHORE	MUHAMMAD IJAZ NASIR 35201-1521450-7 FAREEDA IJAZ 35201-1271008-4	MUHAMMAD SHARIF W/O.MUHAMMAD EJAZ NASIR	51,500	44,560	-	96,060	-	-	38,560	-	38,560
183	MUHAMMAD ASHRAF GROUND FLOOR OUSE F 22/2 KDA SCHEME NEAR BILAWAL CHOWARANGI KARACHI	32303-1056715-3	GHULAM HASSAN	381	179	-	560	381	-	179	-	560
184	IKHLAQ AHMED KHAN GAGGA SARAI P/O KHAS TEH PATTOKI DIST KASUR	35103-3310004-5	RANA DAWOOD KHAN	330	178	-	508	330	-	178	-	508
185	ALI IMRAN HOUSE NO 160 JINNAH COLONY SAMANABAD, LAHORE	35202-9587193-9	SHAFQAT ALI	338	165	-	502	338	-	165	-	502
186	SHAHEEN IMRAN HOUSE NO 902 BLOCK 3 SECTOR D GREEN TOWN LAHORE	36603-4333194-2	MUHAMMAD IMRAN	602	253	-	855	602	-	253	-	855
187	MUHAMMAD YOUNUS HOUSE NO 7/410 WHITE HOUSE LANE NO 01 ZAMA PARK LAHORE	15201-0569569-1	MUHAMMAD KHAN	360	154	-	514	360	-	154	-	514
188	AURANG ZAIB THANA KUNDI SPIN TQANGI QUETTA	54401-6782492-7	M NAWAZ	380	160	-	540	380	-	160	-	540
189	ASFA REHMAN HOUSE NO 12 STREET NO 16 MASHE EN PURA LAL PULL MUGHAL PURA NEAR LAL PUL LAHORE	35201-1379790-6	REHMAN KHALID	444	231	-	675	444	-	231	-	675

Details of advances written-off
ANNEXURE II

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Rupees in '000												
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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
190	MATIUR REHMAN GANDI KHAN KHEL TEHSIL DISTRICT LAKKI MARWAT	11201-2410353-7	HABIB UR REHMAN	384	176	-	559	384	-	176	-	559
191	SEHRISH KHAN H # 397 ST # 07 G-10/1 ISLAMABAD	36302-5943027-8	AKHTER HUSSAIN KHAN	392	127	-	519	392	-	127	-	519
192	MEHMOOD AHMAD SHER CHAK NO 10/14 L P/O SAME TEHSIL CHICHAWATNI DISTT SAHIWAL	35202-6156617-5	FALAK SHAIR	618	356	-	974	618	-	356	-	974
193	FARID ULLAH KHAN AZGHAR KHEL LAKKI MARWAT BANNU	11101-5647163-3	HUKAM ZAD KHAN	555	324	-	879	555	-	324	-	879
194	MUHAMMAD UMAIR BASTI CHAH B AHDAR WALA MOUZA LASHKAR PUR PO KHAS MULTAN	36303-6742017-5	HAJI MUHAMMAD	350	217	-	567	350	-	217	-	567
195	HABIB E MUSTAFA IMRAN SHAHEED CHOWK MUHALLAH GULSHAN FAROOQ PURA MULTAN	36302-6043497-1	FAYYAZ AHMED	334	178	-	512	334	-	178	-	512
196	RIFAAT HAMEED GIRLS DEGREE COLLEGE PALLANDRI AJK	82401-3518817-2	ABDUL HAQMID	490	258	-	749	490	-	258	-	749
197	MUHAMMAD NAZAR BASTI LASHKRAN DULLA AKKOKA P/O MAHTA JEHDO TEHSIL CHISHTIAN DISTT BAHAWALNAGAR	31102-8621792-7	MUMTAZ	1,639	770	-	2,410	-	-	770	-	770
198	MUHAMMAD BUKHSH ATTIQ BASTI QAZI NOOR MUHAMMAD MOZA TRANDA MADHO KHAN PO NAWAN KOT TEH KHAN PUR	31301-6137753-3	QAZI SHAMS DIN	1,747	881	-	2,628	-	-	881	-	881
199	M S & CO HOUSE NO.4 HAJI MALIK LAL DIN ST NO.4 NEAR INTERWOOD FACTORY SHALAMAR TOWN LAHORE	MUHAMMAD SARWAR 35201-1607033-7	LAL DIN	3,000	944	-	3,944	-	-	944	-	944

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
200	MUHAMMAD AYUB RANGERS HOMEOPATHIC COLLEGE NAZIMABAD NO 5 NEAR MATRIC BOARD OFFICE KARACHI	45206-1549131-1	GULSHAN DASTI	342	183	-	525	342	-	183	-	525
201	YOUSAF SADDIQUE CDA MAINTENANCE III C BLOCK PAK SECTT ISLAMABAD	61101-2678610-9	SIDDIQUE MASIH	430	282	-	712	430	-	282	-	712
203	MUHAMMAD USMAN ANWAR HOUSE 13 BLOCK F MILLAT TOWN FAISALABAD	33100-2254806-7	M ANWAR TAHIR	667	90	-	757	667	-	90	-	757
204	MUHAMMAD ZAMAN HOUSE NO 4-C STREET NO 2 BLOCK Z GULSHAN USMAN TEH & DISTT. R.Y. KHAN	31201-8016985-1	DURR MUHAMMAD KHAN	418	145	-	563	418	-	145	-	563
205	MUHAMMAD ASGHAR APT 31 AL AMIN BUILDING FIRDOUS MARKET GULBERG 3 LAHORE	33100-9660851-7	MUHAMMAD ISMAIL	373	201	-	574	373	-	201	-	574
206	NAZIR AKHTAR KHOKHAR C A TEXTILE 32 KM LHR SKP ROAD SHAIKHUPURA GUJRANWALA	31202-0265359-1	M NOOR AHMAD KHAKHAR	461	236	-	696	461	-	236	-	696
207	NABI BUX HOUSE NO. C-329, PARA MEMON PARA DISTT. TANDO ALLAH YAR	41307-2880706-5	RASOOL BUX JARWAR	329	817	-	1,146	-	-	566	-	566
208	ARZOO TEXTILE MILLS LTD 209 REGENCY ARCADE THE MALL FAISALABAD	AZHAR MAJEED 33100-0686482-3 ARSAL MAJEED 33100-1985425-7 AFZAL MAJEED 33100-1899070-7	ABDUL MAJEED AZHAR MAJEED AZHAR MAJEED	340,030	205,410	-	545,440	-	-	195,410	-	195,410
209	JAHANGIR KHAN TORABAZ KHEL WALA CHIDROO TEH AND DISTT. MIANWALI	38302-1222226-5	KHAN AMEER KHAN	949	531	-	1,480	-	-	531	-	531
210	TAYYAB CLOTH HOUSE 23-ICHHRA ROAD ICHHRA LAHORE	ALTAF AHMED 35202-2908751-1 FIRDOUS BEGUM 35202-2725600-6	SIRAJ DIN ALTAF AHMED	30,000	16,601	-	46,601	-	-	16,601	-	16,601

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
211	YOUSIF QTR NO. A-16, LABOUR QTRS, SUI GAS FIELD SUI DERA BUGTI SUI	55103-5486757-9	JAN ALI	454	128	-	582	454	-	128	-	582
212	AZHAR SAEED QURESHI HOUSE NO. 193-15-BI, TOWN SHIP LAHORE	35202-3596379-7	ABU ZAFAR QURESHI	571	58	-	628	571	-	58	-	628
213	SYED SHAKIL KAZMI JATLAN PO KHAS MIRPUR AJK	81302-5291501-7	JAFAR HUSSAIN SHAH KAZMI	391	159	-	550	391	-	159	-	550
214	WAZIR KHAN KUTCHA HOUSE AT KILLI NASIRABAD KACH ROAD QUETTA	54400-0316777-1	HAJI JAN MUHAMMAD	493	202	-	695	493	-	202	-	695
215	SHAOOR AHMED ABRO NEAR KILO PATTA CINEMA SAMITYA MUHALLA RDNEW NAZAR LARKANA	43203-8351300-9	M IBRAHIM ABRO	439	205	-	644	439	-	205	-	644
216	ISMAEAL NADIR CHAH ABIDABAD KOT BAHADUR SHAH P/O KHAS TEHSIL AHMAD PUR SIAL DISTRICT JHANG	36302-9867537-3	NADIR ABBAS SHAHID	417	193	-	610	417	-	193	-	610
217	RANA SHAHID MEHMOOD HARARR SIALKOT	34603-4444610-3	MUAHMAMD IQBAL	481	244	-	726	481	-	244	-	726
218	ARSLAN SARWAR VILLAGE AND PO MITRAN WALI GALI, NAZAR BATT WALI DASKA SIALKOT	42301-6020305-3	M. SARWAR	578	147	-	725	578	-	147	-	725
219	LUBNA YAQOOB CIVIL HOSPITAL HOUSE NO.2 MARDAN	16101-3096844-2	YAQOOB MASIH	552	337	-	889	552	-	337	-	889
220	KIRAN YOUNIS CHAK NO. 435/BF, VEHARI P SAHIWAL	36502-4048919-2	AMIR SHAHRAM	718	392	-	1,110	718	-	392	-	1,110
221	SOHAIL AKHTER MILLS RESEARCH INSTITUTTE SAHIWAL	33100-1934855-5	AKHTAR ALI	531	276	-	807	531	-	276	-	807
222	MUHAMMAD LUQMAN HOUSE NO.43 RMS BLOCK CANTT VIEW TOWN D.C. COLONY	34101-8328264-9	ABDUL RAUF	2,012	856	-	2,868	-	-	648	-	648

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
223	NAZAM ALI MOUZA BAKHU SHAH DEPALPUR DISTT OKARA	35301-4119623-5	SYED SHAH SAWAR	498	833	-	1,331	-	-	731	-	731
224	SALMAN APPARELS DULLO KHURD OFF FEROZE PUR ROAD, FACTORY AREA LAHORE	MALIK SALAH UD DIN 35202-7797141-5	MALIK AHMEDIN	788	2,287	-	3,074	-	-	2,074	-	2,074
225	DILSHAD BROTHERS WARD NO 5MUHALLA MEHRAB KHAN WALA GOGHAN DISTT LODHRAN	SYED TALIB HUSSAIN SHAH 36203-2611608-9 DILSHAD HUSSAIN 36203-9776225-9	SYED NOOR AHMED SHAH SHAMSHAD ALI	549	1,109	-	1,658	-	-	1,108	-	1,108
226	MOHAMMAD BASHIR VILLAGE DHERANKEY LALKEY P/O KHAS TEH & DISTT HAFIZABAD	34301-4928862-3	LAL KHAN	2,142	1,009	-	3,152	-	-	802	-	802
227	GHULAM ABASS JATOI STREET NO.13 MOHALLAH QADEER ABAD MULTAN	36302-1101916-1	RAB NAWAZ	1,423	1,210	-	2,633	-	-	1,005	-	1,005
228	RANA ALTAF BROTHERS RICE FACTORY BAHAWALPUR BY PASS BAHAWALPUR ROAD	RANA ALTAF HUSSAIN 36303-2717373-3	ABDUL LATIF	7,490	7,684	-	15,174	-	-	7,674	-	7,674
229	MASOOM ZARAI SERVICE DAMMARWALA DISTT. MUZAFFARGARG	GHULAM ABBAS 32302-1110009-7	NAZEER AHMED	450	636	-	1,086	-	-	576	-	576
230	USMAN HAIDER KHAKWANI MDA CHOWK HOUSE NO 42 MEHRBAN COLONY MULTAN DISTRICT COUNCIL OFFICE	36302-3169715-7	ABDUL RAHEEM KHAKWANI	2,290	658	-	2,948	-	-	658	-	658
231	CH AMEER HASSAN VILL P/O UDDOWALI TEH NOWSHERA VIRKAN DISTT GUJRANWALA	34103-0487419-7	CH NOOR DIN	1,500	940	-	2,440	-	-	940	-	940
232	SEITH BROTHERS LASANI HOUSE KHALIQ STREET MOHALLAH MUSLAM PARK RAFIQA ABAD NARANG MANDI TEHSIL MURIDKE SHEIKHUPURA	ABDUL MUKHTAR 35401-1856686-9	KHUSHI MUHAMMAD	-	2,227	-	2,227	-	-	2,227	-	2,227
233	AL MACCA OIL MILLS CHOTI ROAD KOT CHUTTA D.G.KHAN	MUHAMMAD SIDDIQUE 32102-1026351-3	ELAHI BAKHSH	3,000	955	-	3,955	-	-	955	-	955

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
234	KALEEM AND SONS HOUSE NO 452 A PEOPLES COLONY NO 1 FAISALABAD	FAHAD KALEEM 33100-4200311-3	AZMAT KALEEM RANA	3,644	1,319	-	4,964	-	-	1,319	-	1,319
235	UNIQUE PURSE HOUSE 78/K NEW ALAMGIR MKT SHAH ALAM MKT LAHORE	MUHAMMAD AKHTAR 35202-6545858-5	MUHAMMAD ALI	3,499	906	-	4,405	-	-	905	-	905
236	LAYYAH RICE MILLS LAYYAH 2 KM LAYYAH ROAD ADDA SARGANI SOLING KAROR LAL EASON DISTT. LAYYAH	TANVEER HUSSAIN 32203-1968191-5 SAQIB SAFDAR 32202-0452110-9 GHULAM ABBAS 42501-2744113-1	FAQEER MUHAMMAD KHAN GHULAM SAFDAR HUSSAIN BAKHSH	16,885	2,243	-	19,128	-	-	2,179	-	2,179
237	SHERWANI CLOTH HOUSE REHMANIAN BAZAR MAILSI DISTT VEHARI	ZUBAIR IQBAL KHAN 36602-7865256-9	MUHAMMAD IQBAL KHAN	500	503	-	1,003	-	-	503	-	503
238	MIAN ALI NAWAZ THAHEEM H NO 265/B GULGASHT COLONY MULTAN	36302-7960044-7	MIAN HAQ NAWAZ THAHEEM	1,499	740	-	2,239	-	-	739	-	739
239	SHABBIR AHMED SUKH PUR P/O KHAS THAKAR SINGH WALA TEHSIL DEPALPUR DISTT OKARA	35301-1906652-1	NAZIR AHMED	700	797	-	1,497	-	-	797	-	797
240	JATOI AGRO TRADERS RAMPUR ROAD JATOI TEHSIL JATOI DISTT. MUZAFFARGARH	AKHTAR ABBAS 32302-3531380-5	MASHOOQ ALI	499	915	-	1,414	-	-	913	-	913
241	KHALID IQBAL COTTON INDUS PVT LTD INDUS HIGHWAY ROAD RAJAN PUR TEH & DISTT RAJAN PUR	RAO IQBAL AKHTER 32403-1646866-3 MUHAMMAD KHALID 32403-7457892-9 RAO BILAL AKHTER 32403-1646867-1	RAO AKHTER ALI FAREED BAKHSH RAO AKHTAR ALI	12,465	12,324	-	24,789	-	-	12,289	-	12,289
242	MUHAMMAD ASHRAF KOT AMEER P O CHAK NO 104 NB TEHSIL SAHIWAL DISTRICT SARGODHA	38402-6744539-7	SHER MUHAMMAD	1,300	688	-	1,988	-	-	688	-	688
243	PUNJNAD AGRI CARE 19-KASSI VEHARI ROAD MULTAN	MUNAWWAR KHALID JAVED 31201-3724837-9	KHADIM HUSSAIN	3,300	10,661	-	13,961	-	-	10,021	-	10,021

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
244	ZAHID HUSSAIN VILL GONDAL P/O SAME TEH SHAHPUR DISTT SARGODHA	38404-0987427-7	ALLAH DAD	1,500	897	-	2,397	-	-	880	-	880
245	ZAHIDA BIBI BASTI RIAZ ABAD, SHEIKH WAHAN, P.O KAHRIPUR TAMEWALI TEHSIL KHAIRPUR TAMEWALI DISTRIC BAHAWALPUR	31204-0175729-2	SAJJAD HUSSAIN PERZADA	5,990	2,207	-	8,196	-	-	2,207	-	2,207
246	REHMAN HUSSAIN P/O CHAK NO 4 TDA,CHAK NO 2TDA TEH AND DISTT KHUSHAB	38201-7061957-3	MUHAMMAD HUSSAIN	1,000	649	-	1,649	-	-	629	-	629
247	SAFDAR HUSSAIN CHAK NO 49 P O SAME PATTOKI DISTT KASUR	35103-6599555-9	KHAIR SHAH	642	488	-	1,130	442	-	488	-	930
248	MUHAMMAD SHER VILLAGE KUDHALI ARRA POST OFFICE SAME TEH SAHIWAL DISTT SARGODHA	38402-1548015-3	HAJI MUHAMMAD ABDULLAH	1,389	1,573	-	2,962	-	-	1,572	-	1,572
249	MUHAMMAD MOOSA VILLAGE & P/O SOOMAR FAQIR TAL SHAHDADPUR DISTT SANGHAR	44204-7265815-7	MIR MUHAMMAD	530	1,121	-	1,650	-	-	850	-	850
250	NOON BROTHERS TEH/ KEHROR PACCA AMEER PUR STATION KAHROR PACCA DISTT LODHRAN	MAJID RAFIQUE 36202-4610030-1	MUHAMMAD RAFIQ	499	620	-	1,119	-	-	522	47	569
251	ZAID KAMBAL HOUSE B-3 ACHA BARA MARKET SHAHALAM MARKET LAHORE	ZAHID HUSSAIN 35202-2898573-5	AKBAR ALI	2,299	1,698	-	3,997	-	-	1,697	-	1,697
252	MUNEER QASIM MOUZA BHUCH KAY P/O JURA TEH & DISTT KASUR	35102-5051000-9	QASIM ALI	508	871	-	1,379	-	-	678	-	678
253	HARIS FLOUR MILLS MOUZA RAMAN P.O. SAMMA SATTA BAHAWALPUR	MALIK AHMAD USMAN NAWAZ 31202-5093800-7 MUNIR AHMAD BAJWA 36502-5602309-3 SHAFQAT SHAHEEN 31202-2893826-4	MALIK ALLAH NAWAZ NASEER AHMED BAJWA MALIK ALLAH NAWAZ	10,000	4,475	-	14,475	-	-	3,475	-	3,475

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
254	HAFIZ POULTRY FARM VILL SAAD PO DOST PURA TEH DISTT KASUR	MUHAMMAD ARSHAD 35102-0609430-5	ABDUR REHMAN	1,369	1,463	-	2,833	-	-	1,333	-	1,333
255	GULJEHAN CHAK NO 23 MB PO CHAK NO 24 MB TEH QAIDABAD DIST KHUSHAB SARGODHA	38201-1109151-9	HAJI GHULAM HAIDER	994	585	-	1,579	-	-	529	-	529
256	ABDUL MAJEED HAMEED VILLAGE BRUDGE RUN SIG POST OFFICE TALVENDI TEHSIL CHUNIAN DISTT KASUR	35201-9485326-9	YASEEN KHAN	886	1,116	-	2,002	-	-	1,099	-	1,099
257	AHSAN VILL CHAK GALLAN P/O GOLOTIAN KALAN TEH DASKA	34102-8377367-3	CH SHUKAR DIN GILL	1,997	1,093	-	3,091	-	-	1,091	-	1,091
258	TOOR & SONS IRON STORE ZAREEF SHAHEED TEH SHUJABAD DISTT; MULTAN	ABDUL REHMAN 36303-0999305-7	MEHR UDDIN KHAN TOOR	694	555	-	1,249	-	-	546	-	546
259	MUHAMMAD RAZMAN SOORATABAD P/O JHALLAN DISTT GUJRANWALA	34103-0528504-7	GHOUS MUHAMMAD	1,199	660	-	1,859	-	-	559	-	559
260	ZAFAR ULLAH VILLAGE NATT NEAR PUNJAB MANDI AL WAHID TOWM MURIDKE TEH MURIDKE DISTT SHEIKHUPURA	34101-3971318-3	GHULAM RASOOL	940	595	-	1,535	-	-	558	-	558
261	MUKHTAR AHMAD MOUZA GULL P/O DERA BAKKHA TEH DISTT BAHAWALPUR	31202-0270299-5	SH HAJI M RAMZAN	747	966	-	1,713	-	-	963	-	963
262	MUZAMMAL ABBAS BURYANA PO TALIB WALA TEH BHALWAL DISSTT SARGODHA	38401-0281817-5	MUREED HUSSAIN	200	841	-	1,041	-	-	841	-	841
263	MAQSOOD & CO KHAWAJA BAZAR MUZAFFARABAD AK	KHAWAJA MAQBOL-UR-REHMAN DHAMAN 82203-1186542-1	FATEH MUHAMMAD DAHMAN	1,800	939	-	2,739	-	-	678	-	678
264	MUHAMMAD SALEEM KAAT THAMAN WALI FAZAL HUSSAIN P/O DUNGA BUNGA TEHSIL AND DISTRICT BAHAWALNAGAR	31101-1649626-5	MUHAMMAD JAHANGIR	2,500	512	-	3,012	-	-	512	-	512

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
265	H.M.NAEEM TEXTILE PVT LTD AULIA TRADE CENTRE,19-E, COOPER ROAD LAHORE	HAFIZ MUHAMMAD NAEEM 35202-3778510-3 PARVEEN NAEEM 35202-0971694-0	SHEIKH MUHAMMAD BASHIR MUHAMMAD NAEEM	25,241	19,741	-	44,982	-	-	17,877	-	17,877
266	GLOBAL FINANCIAL SOLUTIONS SUIT # 1 & 2 C-5-C KHAYBAN-E- SEHER PHASE VII D.H.A. KARACHI	IRFAN WAHID 42301-3492442-1	ABDUL WAHID	24,500	12,018	-	36,518	-	-	7,242	-	7,242
267	A H WEAVING FACTORY CHAK NO-216/RB MUHAMMAD WALA JARANWALA ROAD FAISALABAD	MUHAMMAD NAWAZ 33104-2159235-9	GHULAM MUHAMMAD	2,998	3,678	-	6,676	-	-	3,526	-	3,526
268	MUHAMMAD AZAM KHAN P.O WASANDAY WALI UMAR PUR JANOBI MUZAFFAR GARH	32304-5608086-9	GHULAM QADIR KHAN	2,100	795	-	2,894	-	-	794	-	794
269	RIAZ PROTEIN AND MODEL FARM MOUZIA DODA P/O KHAAS TEHSIL BHALWAL DISST SARGODHA	NASIR MEHMOOD 38403-6387598-3	RIAZ AHMED	1,999	547	-	2,546	-	-	546	-	546
270	DESERT DUBAI TRAVEL DESERT DUBAI TRAVEL, SUIT NO 508 5TH FLOOR MADINA CITY MALL ABDULLAH HAROON ROAD SADDAR KARACHI	MUHAMMAD MUNAF 42301-1059266-7	ABDUL AZIZ	9,726	1,546	-	11,272	-	-	1,546	-	1,546
271	KHALID MAHMOOD CHAK NO 135 G/B,P O KHAS,TEH SAMUNDRI DISTT FAISALABAD	33105-6191326-9	ASGHAR ALI	1,499	821	-	2,320	-	-	820	-	820
272	RAO LIAQAT ALI VILLAGE DHALLI P/O SAME TEH DIST NAROWAL	34501-0850203-3	MUHAMMAD BASHIR	1,179	1,005	-	2,183	-	-	903	-	903
273	GROOM BRIDE SPECIAL TARIQ S BALAR COLONY NO 1 JOHN STREET KOTLAEKPAT LAHORE PAKSIATAN	TARIQ BASHIR 35202-4902720-1	BASHEER	300	1,709	-	2,009	-	-	1,509	-	1,509
274	CH MOHAMMAD SHARIF NEAR NAWAZ MARKET GUJRANWALA ROAD ALI PUR CHATTHA TEH WAZIRABAD DISTT GUJRANWALA	34104-2367663-7	MOHAMMAD NAWAZ	2,344	628	-	2,971	-	-	621	-	621

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
275	RANA IMRAN CHAK NO 24/2 L TEHSIL RENALA KHURD DISTRICT OKARA SAHIWAL REGION	35302-1182941-3	RANA MUNAWAR	1,700	2,183	-	3,883	-	-	2,083	-	2,083
276	NASIR MEHMOOD RANDHAWA CHAK NO.135 GB TEH.SAMUNDRI DISTT.FAIALABAD	33105-2254523-1	ASGHAR ALI	2,000	1,229	-	3,229	-	-	1,229	-	1,229
277	HAQ NAWAZ CHAK NO 125 JB POST OFFICE KHAS JHUMRA ROAD TEH AND DISTT CHINIOT	33201-0135359-5	NAZEER AHMAD	1,972	730	-	2,702	-	-	556	-	556
278	MUHAMMAD MANZOOR KHAN TAHIR CHAK 104 R B PANDIA WALI PO SAME TEHSIL JARANWALA DISTRICT FAISALABAD	33104-2107076-9	SARDAR KHAN	1,249	634	-	1,884	-	-	534	-	534
279	AL MUNAWAR AGRI FARM MUHALLA SHEIKHAN WARD NO 01 AHMAD PUR LAMMA TEH	SH. NUMAN NABI BUKSH 31304-2029505-5	SH MUHAMMAD MUNWAR	3,994	3,948	-	7,942	-	-	3,948	-	3,948
280	MUHAMMAD RIAZ CHAK GHULAB ALI P/O GHULAB ALI TEH BAHAWAL NAGAR	31101-1592947-3	MUHAMMAD AMIN	1,200	723	-	1,923	-	-	723	-	723
281	IMRAN MAQBOOL TEXTILES CHAK NO.119/JB.DHANOLA ROAD SAMANA,OFF SARGODHA ROAD, FAISALABAD	IMRAN MAQBOOL 42000-0559756-7	MAQBOOL AHMAD	79,620	44,866	-	124,486	-	-	39,866	-	39,866
282	YEN TEXTILES INDS PVT LTD 92-BANK SQUARE MARKET MODEL TOWN LAHORE	MUHAMMAD YAWAR SAEED 35202-4983495-9 ARSLAN SAEED 35202-5474671-9 MEMONA YAWAR 35202-2648868-4 ARZA SAEED 35201-0986807-6	MIR SAEED HASSAN YAWAR SAEED YAWAR SAEED JAMSHED SAEED	46,817	26,687	-	73,504	-	-	23,436	1,443	24,879
283	SHAHNAWAZ DAIRY FARM V P O MARRI TEHSIL SARGODHA	MEHR SHAHNAWAZ KHAN 38403-0902369-9	MUHAMMAD AKRAM LAK	548	855	-	1,403	-	-	553	-	553

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
284	MUHAMMAD IMRAN IRSHAD VILLAGE & POST OFFICE BAKHIANWALA TEH DASKA DISTT SIALKOT	34601-5206826-9	IRSHAD AHMED	1,185	1	-	2	-	-	771	-	1
285	MUHAMMAD ZAFARULLAH DEH SOOF SHORO TALUKA & DISTT THATTA	41304-5898162-7	MUHAMMAD SAIFULAH ARAIN	1,402	1,273	-	2,676	-	-	973	-	973
286	ABDUL KHALIQ KOTLA FATEH KHAN P/O RABANA TEHSIL SAHIWAL DISTT SARGODHA	38402-9886551-7	ALLAH YAR	2,000	880	-	2,880	-	-	830	-	830
287	MUHAMMAD AHMED ANYATKAY P/O AKBAR TEH & DISTT OKARA	35302-7293281-3	GHULAM FARID	990	709	-	1,699	-	-	549	-	549
288	GHULAM ABBAS RATO KALA PO SAME TEHSIL BHALWAL DISTRICT SARGODHA	38401-0375005-1	GHULAM HUSSAIN	1,100	625	-	1,725	-	-	624	-	624
289	ALLAH YAR CHAK N/O 71/D SABANINA WALA POST OFFICE CHAK N/O 73/5.L TEH & DISTT PAKPATTAN SHARIF	36402-0800145-7	MUHAMMAD ESSA	800	501	-	1,301	-	-	501	-	501
290	SYED MOHAMMAD ISHAQ SHAH VIL TIBA GAMA SHAH P/O TIBA MEHRBAN SHAH TEHSIL PIPLAN DISTT MIANWALI	38303-3855835-7	SYED MUREED AHMAD SHAH	1,972	1,011	-	2,983	-	-	683	-	683
291	WAZIRAN BIBI CHHINLAN WALA P/O & TEH ISAKHEL DISTT MIANWALI	38301-8756212-6	MUHAMMAD ASLAM	1,300	917	-	2,217	-	-	617	-	617
292	SAFDAR HUSSAIN CHAK NO.23/MB, P/O 24/MB TEHSIL QAIDABAD, DISTT. KHUSHAB	38201-4744108-9	GUL JEHAN	800	554	-	1,354	-	-	504	-	504
293	FARHAD ALI DEV SIAL NANO WALA P/O SAME CHUNIAN DISTT KASUR	35101-3663985-1	SHARFAT ALI	1,099	1,135	-	2,234	-	-	834	-	834
294	WAHLA CHICKS HOUSE NO 186-D MILLAT TOWN MILLAT ROAD NEAR WAHLA CHOWK FAISALABAD	MOHSIN KHALID 33100-2570873-5	KHALID MASOOD	2,700	1,358	-	4,058	-	-	1,158	-	1,158

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
295	MASOOD AHMED VILL. KOTLI CHAMB WALI P/O KALA KALAN TEH DASKA DISTT SIALKOT	34601-4769709-3	MUHAMMAD SIDDIQUE	1,500	932	-	2,432	-	-	807	-	807
296	QADRIA COTTON INDUSTRIES CHHONAN WALA ROAD HASILPUR TEHSIL HASILPUR	SHEIKH MUHAMMAD ALAM 31203-1730811-3 FAIZUL HASSAN 31203-4961299-7 MUHAMMAD MOSHIN RAZA 31203-6928524-5 AHMED RAZA KHAN 31203-2052219-1 MEHMOOD-UL-HASSAN 31203-0164433-5 MUHAMMAD RAZA KHAN 31203-6938024-5	MUHAMMAD SHADI HAJI MEHMOOD UL HASSAN HAJI MUHAMMAD HAQ NAWAZ KHAN HAJI MUHAMMAD HAQ NAWAZ KHAN MIAN SHER MUHAMMAD KHAN HAJI MUHAMMAD HAQ NAWAZ KHAN	464	1,360	-	1,824	-	-	1,310	-	1,310
297	ALLAH TAWAKAL KANDOM BATTERY & LEAD SULTAN ESTATE NEAR GANDA NALA SIE 2 KHALI BYE PASS GUJRANWALA	MUNAWAR HUSSAIN 34103-4564251-1 MUHAMMAD ASGHAR 34103-6031516-5	MUHAMMAD RAFIQUE BASHIR AHMAD	6,000	1,289	-	7,289	-	-	1,284	-	1,284
298	ADEEL FURNISHERS NEAR KALRA KHASA G.T ROAD GUJRAT	MOBEEN AHMED 34201-2715709-1	RAEES AHMED MIRZA	6,000	1,401	-	7,401	-	-	1,401	-	1,401
299	DHANI BUX VILLAGE MUHAMMAD RAMZAN RAJAR P/O PITHORO TALUKA PITHORO DISTRICT UMERKOT	44105-5880712-5	MUHAMMAD RAMZAN	2,000	611	-	2,611	-	-	511	-	511
300	BILAL AHMAD NEAR MASJID AHLE HADEES MUHAMMADIA VILL CHAK TOOTI P/O MITRANWALI TEH DASKA DISTT SIALKOT	34601-1588002-1	BASHIR AHMAD	1,787	723	-	2,511	-	-	661	-	661
301	ZAINI SHOES MATERIAL HAKEEM CENTER BHORA GALI NO 1 AMIN PUR BAZAR FAISALABAD	IJAZ AHMED 33100-0468484-3	IKRAM ULLAH	349	581	-	929	-	-	581	-	581
302	AMJAD ALI VILLAGE SHARIF PUR PO RAYYA KHAS DISTT NAROWAL	34501-0127389-9	MUHAMMAD RAFIQUE	2,499	1,448	-	3,947	-	-	1,377	-	1,377
303	MAKHDOOM SHAH NAWAZ MAKHDOOM HOUSE HALA	41301-7000696-9	MAKHDOOM GHULAM NABI	2,067	4,967	-	7,034	-	-	4,967	-	4,967

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
304	FAISAL SHOES SHAHDULA GATE YOUSAF MARKET GUJRAT	SH. MOHAMMAD IDREES 34201-0600897-7	SHEIKH ZAFAR IQBAL	2,650	842	-	3,492	-	-	842	-	842
305	MUHAMMAD ANWAR DERA SULTAN MUTALI DHORI PHULARWAN TEHSIL BHALWAL	38401-6974076-7	SULTAN AHMAD	999	575	-	1,574	-	-	524	-	524
306	PERVAIZ AKHTAR FARID KOT TEH DEPALPUR DISTT OKARA	35301-4161441-9	FALAK SHER	1,396	848	-	2,244	-	-	844	-	844
307	SHAHZAD FARYAD OLD METAL SHOP NO 1 MIAN FEROZ SONS CENTRE MAIN BAZAR DHOLANWAL CHOWK YATEEM KHAN BUND ROAD LAHORE	MUHAMMAD SHAHZAD 35202-2779909-1	FARYAD HUSSAIN	1,598	1,419	-	3,017	-	-	1,419	-	1,419
308	MUZAFAR ALI PO SAME RASOOL PUR TARAR TEHSIL PINDI BHATTIAN DISTRICT HAFIZABAD	35201-7171699-3	IJAZ AHMAD	2,300	747	-	3,047	-	-	647	-	647
309	SHEIKH CARRIAGE OPPSITE SANGHAM MORE G T ROAD GUJRANWALA	SH MUKHTAR AHMAD 34103-7947888-1	MUHAMMAD ASLAM	8,061	7,373	-	15,435	-	-	5,949	-	5,949
310	FITWELL FURNITURES 64-A, 2 D. H. A LAHORE	ZAHEER AHMAD BABAR 35201-1907529-3	MIRZA ANAYAT ULLAH	9,999	6,870	-	16,869	-	-	6,009	-	6,009
311	ADIL COMMISSION SHOP NEW GHALLA MANDI ADIL FAROOQ KHAN ROAD KAMOKE	MUHAMMAD FAROOQ AHMED 34102-5382973-3	MUHAMMAD ASLAM	4,528	2,732	-	7,261	-	-	2,511	-	2,511
312	MUHAMMAD SALEEM KANWAN WALA PO KHAS TEH LALIAN CHINIOT	38403-6956820-3	MEHAR UMAR HAYAT	1,150	510	-	1,660	-	-	501	-	501
313	MUHAMMAD QASIM LALI BANGLA ROAD DERA SALEEM LALI LALIAN DISTT CHINIOT SARGODHA	33402-0341885-3	MUHAMMAD SALEEM	1,398	629	-	2,027	-	-	627	-	627

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
314	DERA BAKHA COTTON FACTORY DERA BAKHA BAHAWAL PUR	CH. SAFDAR HUSSAIN 31202-8169422-5 CH. MUNIR AHMED 31202-0769989-9 ZAFAR IQBAL 33100-5071406-9 JAWED AHMED CH. 31202-0250616-5 SAJJAD AHMED CH. 31202-8641711-1 CH. ABDUL HAMEED 31202-0337536-5	CH. HASHMAT ALI CH. HASHMAT ALI CH. HASHMAT ALI CH. FAZAL AHMED CH. FAZAL AHMED CH. NAZIR AHMED	-	9,236	-	9,236	-	-	2,433	-	2,433
315	MUHAMMAD ASHRAF CHEEMA CHAK-226 RB, CHAK CHEEMA BAJWAH, P/O KHAS, TEH. FAISALA BAD SADAR,DISTT.FAISALABAD	33103-0646535-3	GHULAM MUHAMMAD CHEEMA	1,769	753	-	2,522	-	-	752	-	752
316	NUSRAT ABBAS VILL.MUHAMMAD ALI WALA P/O TIR KHAN WALA TEH.SAHIWAL DISTT.SARGODHA	38402-1545404-1	ZAFAR ABBAS	600	569	-	1,169	-	-	519	-	519
317	EJAZ FILLING STATION VILLAGE GONDAL P/O SAME TEH DISTT SIALKOT	CH. MUREED HUSSAIN 34603-8062582-1	ALLAH RAKHA	-	993	-	993	-	-	993	-	993
318	NASEERAN BIBI SAHI NEAR JAMIA MASJID SIDDIQIA AWAMI ROAD DASKA DISTT SIALKOT	34601-4601253-4	ARSHAD MAHMOOD SAHI	1,799	826	-	2,625	-	-	825	-	825
319	SHEIKH M NAEEM HAIDE TRDERS FEROZE WALA ROAD GALA PURANA PHADDY KHAN NEAR NAMAK WALI CHAKI GUJRANWALA	SH. MUHAMMAD NAEEM 34101-2692195-5	SH. MUHAMMAD AMIN	1,000	726	-	1,726	-	-	726	-	726
320	COLONEL SEAFOOD PVT LTD. PLOT NO. A-9 & 10,KORANGI FISH HARBOUR CHASHMA GOTH LANDI KARACHI	ZAHID IQBAL 42301-7928664-5 RUBINA ZAHID 42301-8028892-8	SULTAN SIKANDER KHAN ZAHID IQBAL	31,635	24,260	-	55,895	-	-	22,230	-	22,230
321	BADAR MUNIR & BROTHERS KIRYANA & GENERAL MERCHANT MARKET ROAD NO 1 NAWABSHAH	BADAR MUNIR KHOJA 45402-0946939-1 MUHAMMAD SOHAIL KHOJA 45402-6028118-3	GHULAM RASOOL KHOJA GHULAM RASOOL KHOJA	4,349	2,981	-	7,330	-	-	2,461	-	2,461

Details of advances written-off
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Rupees in '000												
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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
322	ALAM BROTHERS DEHLY MULTAN ROAD HAVELI P/O HAVELI LAKHA TEHSIL DEPALPUR DISTT OKARA	FAKHAR ALAM 35301-1911708-1 FAIZ ALAM 35301-5166003-1	MUHAMMAD SALEH MUHAMMAD SALEH	1,998	2,286	-	4,284	-	-	2,084	-	2,084
323	NAZIR AHMED VILLAGE KOT DARAN P.O. KHAS TEH. SAMBRIAL TEHSIL DISTT SAMBRIAL	34601-0770752-3	MUND BUKSH	1,543	1,528	-	3,072	-	-	1,322	-	1,322
324	MUHAMMAD ASLAM NADEEM BHOCHKAY PO JORA TEH DISTT KASUR BOHCHKERY DISTT KASUR	35102-7593397-9	QASIM ALI	533	658	-	1,191	-	-	658	-	658
325	ASHRAF BOLT INDUSTRY KACHA RAHIM ROAD BADAR STREET NEAR FAIZ KANTA MISRI SHAH LAHORE	MUHAMMAD ASHRAF 35202-9725489-1	MUHAMMAD RAMZAN	23,488	14,873	-	38,361	-	-	14,361	-	14,361
326	RAO MUHAMMAD QAISER KHAN MAZHAR ABAD P/O DEPAL PUR TEH DEPAL PUR DISTT OKARA	35301-2171461-1	MUHAMMAD NASIR KHAN	394	946	-	1,340	-	-	740	-	740
327	ADNAN AHMED B-112 MADINA BLESSING BLOCK 10 A GULSHAN IQBAL KARACHI	42501-1547948-7	ISHTIAQ AHMED	367	183	-	550	367	-	183	-	550
328	YASIR AMIN A 35 CHULTAN HOUSING SCHEME QUETTA	42201-0548626-9	M AMIN	450	183	-	633	450	-	183	-	633
329	JAVED IQBAL CA TEXTILE H NO 11 FAMILY COLONY SKP	33202-9190488-1	MANZOOR HUSSAIN	362	265	-	628	362	-	265	-	628
330	SARWAN KHAN H NO 619 PATHNA GOTH HUSSAINABAD HYDERABAD	41306-5832482-7	AZIZ ULLAH PATHAN	393	166	-	558	393	-	166	-	558
331	QURAT UL AIN ASHRAF LAGHARI ALI HOUSE MIAN RD H NO 1 SARGODHA	42501-4482555-6	M ALI AMMAR	400	200	-	600	400	-	200	-	600
332	MUNAWAR ELAHI BASTI NOOR SAMAND KHAN, MERU BALOCH P/O DULLA BHADERA, TEHSIL CHISHTIAN DISTT. BAHAWALNAG	31102-1983428-4	WALI DAD	2,500	760	-	3,260	-	-	760	-	760

Details of advances written-off
ANNEXURE II

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Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
333	SAEED AHMED CHAK NO 46D DEPALPUR	35301-5347124-1	MUHAMMAD YASIN	330	583	-	913	-	-	563	-	563
334	FIVE STAR D BRICKS OPP HUSSAINY DARBAR NEAR MARAKA QRT MULTAN RD LHR	REHMAN TALIB 35202-2525617-1	MALIK ISRAR HUSSAIN	9,954	7,264	-	17,218	-	-	6,018	-	6,018
335	RUKHSANA PERVAIZ SCHOOL OF NURSIN CHILDREN HOSPITAL LAHORE	35202-8721980-2	M ASGHAR	719	258	-	976	719	-	258	-	976
336	VINCENT HOUSE NO 182 A-1 GILL STREET BAHAR COLONY NO 2 KOT LAKHPAT LAHORE	35201-7392384-9	VICTOR	392	126	-	518	392	-	126	-	518
337	ZULQARNAIN HAIDER SIDDIQUE H NO. 2441 BLOK D EID GAH ROAD NEW SHAMSABAD MULTAN	36302-6157894-9	NAJAF ALI	371	173	-	544	371	-	173	-	544
338	MUHAMMAD KAMRAN ABBASI MCR 007904-7TH FLOOR SHAHNAZ ARCADE,SHAHEED-E- MILLAT ROAD, KARACHI	42101-5358500-7	MUHAMMAD ZAMAN KHAN	404	183	-	586	404	-	183	-	586
339	FARZANA HUSSAIN DIST HEAD QUARTER HOSPITAL	37405-3501790-2	ALI AKBAR	403	143	-	546	403	-	143	-	546
340	HUMAIRA GULZAR HOUSE NO 88 STREET NO 01 AZAM BASTI MAHMODABAD KARACHI	42301-9067035-8	GULZAR HUSSAIN	382	179	-	561	382	-	179	-	561
341	WAQAR HUSSAIN PR HEAD QUARTER SINDH ZIAUUDIN RD OPP SHAHEEN COMPLEX KARACHI	42501-8979330-7	JALAL UDDIN	357	153	-	510	357	-	153	-	510
342	FAISAL IQBAL HOUSE NO 267 STREET NO 9 IQBAL COLONY ABADI QURBAN LINE GULBERG II LAHORE	35201-4786918-5	M IQBAL	411	233	-	643	411	-	233	-	643
343	MUHAMMAD AZAM R-894 SAZGAR ENGINEERING WORKS LTD. 18KM RAIWIND ROAD, LAHORE	35202-1824364-3	JUMAY KHAN	338	191	-	529	338	-	191	-	529

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
344	MUHABAT ALI C/O CSCECL,H#A-30 FRIENDS CO- OPERATIVE HOUSING SOCIETY SHIKARPUR ROAD SUKKUR	45205-1797379-3	JAHAN KHAN PANHWAR	413	227	-	640	413	-	227	-	640
345	MUHAMMAD ANWAR H NO P 103 SECTOR 6 D MOHALLAH ANAR KALI URJANI TWON KARACHI	42101-0843285-1	MUHAMMAD AKBER	525	253	-	778	525	-	253	-	778
346	FAISAL RASHEED HOSUE # 1485 STREET # 4 NOOR CHOKRA RAWALPINDI	37405-0238906-5	ABDUL RASHEED	334	187	-	521	334	-	187	-	521
347	BILAL MUSHTAQ H NO 07 PEOPLES COLONY ST NO 3 GUJRANWALA	34101-9557653-5	MUHAMMAD MUSHTAQ	345	178	-	524	345	-	178	-	524
348	MALIKA FUKRAJ BEGUM CHOACH PO KHAS TEH SEHNSA KOTLI	81203-7730222-6	RAJA KAMAL	431	122	-	553	431	-	122	-	553
349	SHEZAD ALI SHAD HOUSE NO 251 BLOCK J-1 SUN FLOWER SOCIETY JOHAR TOWN LAHORE	37405-0228293-3	SHAMSHAD ALI SHAD	434	213	-	647	434	-	213	-	647
350	YOUSRA NAWAB ALI 14794 CUS EX PMCL JAZZ NICE TRADE ORBIT 44-A BLOCK 6 PECHS SHAHRAH-E-FAISAL, KARACHI	42101-1201121-4	MUHAMMAD AKRAM SIDDIQUI	433	154	-	587	433	-	154	-	587
351	MUHAMMAD OBAID JUBILEE FAMILY TAKAFUL AL SHARIF PLAZA 2ND FLOOR SHAMSABAD RAWALPINDI	14301-2079508-3	SHAD MUHAMMAD	459	264	-	723	459	-	264	-	723
352	ALI AHMED CHAK NO 97/6R P O SAME SAHIWAL	36502-1293825-1	NASEER AHMED	456	262	-	719	456	-	262	-	719
353	KAMRAN KHAN ROOM NO 13 SUB JAIL SASU KOHISTAN PESHAWAR	17301-0612084-3	HAKEEM KHAN	386	214	-	600	386	-	214	-	600
354	SHAUKAT MASIH HOUSE NO 56 STREET NO 39 A ITTIFAQ PARK NOORI DARBAR ROAD MUGHAL PURA LAHORE	35201-7775326-9	BAJ MASIH	352	184	-	536	352	-	184	-	536

Details of advances written-off
ANNEXURE II

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Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
355	S.MUSHTAQUE AHMED SHAH OFFICE OF THE MUNICIPAL COMMITTEE GHOTKI GHOTKI	45102-3304438-3	SYED KHUDA BUX SHAH	821	428	-	1,249	821	-	428	-	1,249
356	SABIR GILL H NO CS 613/30 MUH FREEK HILL SUKKUR	45504-1107481-1	GULZAR FAZAL MASIH	318	243	-	561	318	-	243	-	561
357	DUR MUHAMMAD GOTH TANDO BALEND KHAN ODHO WALIO GHOTHKI	45102-2300996-9	REHMAT ULLAH	359	197	-	556	359	-	197	-	556
358	MUHAMMAD IBRAHIM SHAR C/O PROFESSOR DAIM ALI SHAR GOVERNMENT DEGREE COLLEGE THARI MIRWAH KHAIRPUR	45206-7668721-7	QAIM UDDIN SHAR	351	203	-	554	351	-	203	-	554
359	NAJEEB UR REHMAN KHAN BAMA BALA PO KHAS TEH & DIST OKARA	35302-8143066-5	ABDUL WAHAB KHAN	477	180	-	657	477	-	180	-	657
360	MOAZZAM MUKHTAR H NO 6 ST NO 81 MANJAR ST MOHALLA GWALIAN LHR	35202-7545701-5	MUKHTAR AHMED	361	185	-	546	361	-	185	-	546
361	AAMOOSE KHOKHAR H NO 328 B TAAJ PURA SCHEME HARBANSPURA LAHORE	35202-3864041-5	SARFRAZ ANJUM	371	193	-	565	371	-	193	-	565
362	KH SAJJAD AKHTAR 156 MOHALLA SHAH GHOUS ABD SORAJ MIYANI ROAD MULTAN	36304-8551230-7	KHAWAJA WAHID BUX	487	250	-	737	487	-	250	-	737
363	FAWAD KHAN FC LINE HAYAT ABAD PESHAWAR KPK PESHAWAR	17101-7997882-1	SAIDAN SHAH	350	195	-	544	350	-	195	-	544
364	AZMAT SHAUKAT E 1726 MARIYAM COLONY LAHORE	35201-7459333-5	SHAUKAT GILL	382	222	-	605	382	-	222	-	605
365	MUHAMMAD SHAFQAAT H NO 01 ST NO 7 MUHALLA IMTIAZ ROA SHARIF ABAD GUJAR PURA LHR	32301-3595223-9	ABDUL MAJEED	487	278	-	765	487	-	278	-	765

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
366	AKHTAR ULLAH KHAN HOUSE NO 12/A CTO COMPOUND II CHUNDRIGAR ROAD KARACHI	42301-5096174-1	SHAKAQI ULLAH KHAN	337	175	-	512	337	-	175	-	512
367	NAEEM MASIH H 340 S/NO 15 MOHALLA GULBAHAR COLONY LAHORE CANTT LAHORE	35201-3744031-9	NAZIR MASIH	309	197	-	506	309	-	197	-	506
368	ZEESHAN ZAHID CAA MT SEC NEAR PROJECT GATE ALLAMA IQBAL INT AIRPORT LAHORE	42000-4863923-1	ZAHID RASHEED	487	266	-	753	487	-	266	-	753
369	GHOUS BUX CHINA STATE CONSTRUCTION ENG CORPO PANJOO BAAG GHOTKI TEHSIL AND DISTT. GHOTKI	45206-5429838-7	PIYAR ALI	366	179	-	545	366	-	179	-	545
370	SULIMAN SHAH VILLAGE AND POST OFFICE SARO SHAH TEHSIL TAKHT BHAI DISTT MARDAN	16102-5303008-9	SAID KARIM	375	213	-	588	375	-	213	-	588
371	FAHEEM IQBAL KHAN CHULBAARG TOWN HOUSE 181 KHYWAL JHELUM	36103-1666422-3	MALIK MIR KHAN	380	162	-	542	380	-	162	-	542
372	SHAIKH MUHAMMAD HAFEEZ ULLAH HOUSE G 64/5 CLAYTON QUARTERS JHANGEER ROAD 2 KARACHI	42201-1543263-5	MUHAMMAD SAMIL ULLAH	502	249	-	751	502	-	249	-	751
373	MUHAMMAD NAWAZ EDUCATION DEPTT GES BONGI LALU THESIL PATTOKI DISTT KASUR	35103-0610933-1	MUHAMMAD ASLAM	535	294	-	829	535	-	294	-	829
374	SNS INTERNATIONAL 17/2, KHIABAN COLONY NO, 2, ZIA TOWN RD , 204 R.B FAISALABAD	SHAKEEL AHMAD 33100-7536224-1	SHEIKH FAQIR MUHAMMAD	9,367	4,883	-	14,251	-	-	2,622	-	2,622
375	FIAZ AHMAD RATIO KALA P/O KHAS BHALWAL SARGODHA	38401-0341357-7	BASHIR AHMAD	1,499	1,125	-	2,625	-	-	1,025	-	1,025

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
376	RIAZ HUSSAIN VILLAGE SHERGARH POST OFFICE JORA KALAN TEH NOORPUR DISTT KHUSHAB	38202-3082721-1	MUHAMMAD NAWAZ	316	568	-	885	-	-	515	-	515
377	BISMILLAH COMMISSION SHOP HERNOLI MOHALLAH HABIB KHEL ASRANWALA POST OFFICE ASRAN WALA TEHSIL PIPLAN DISTRICT MIANWALI	FAROOQ AZAM 38303-8446000-1	MUHAMMAD MUSTAQEEM	4,413	1,716	-	6,129	-	-	1,716	-	1,716
378	A ONE KINNO FACTORY CHAK 19 SB P/O SAME TEH.KOT MOMIN DISTT.SARGODHA	KHALID MEHMOOD 38401-3365313-9	MUHAMMAD ASLAM	4,940	1,451	-	6,391	-	-	1,451	-	1,451
379	MUHAMMAD AKHTAR MOHALLA SABRI MASJID BUCHEKI TEH NANKANA SAHIB	35402-1959153-5	MUHAMMAD ABDULLAH	950	503	-	1,453	-	-	503	-	503
380	ADIL FURNITURE MART ABDULLAH PUR FAISALABAD	MUHAMMAD AFZAL 33100-2628145-3	ABDUL KHALID	1,000	824	-	1,824	-	-	824	-	824
381	MOHAMMAD AFZAL CHAK NO 347 JB CHATHA TEH GOJRA DISTT T T SINGH	34301-5482415-5	KHAN MOHAMMAD	1,300	732	-	2,031	-	-	731	-	731
382	MUHAMMAD ASHRAF SHAD CHA ARRIYAN WALA LUDDAN PO KHAS TEH AND DIST VEHARI	36603-1395818-5	M ABDULLAH	773	64	-	837	773	-	64	-	837
383	TAMEER ASSOCIATES PVT LTD SB 37 BLOCK N 13B UNIVERSITY ROAD GULSHAN-E-IQBAL KARACHI	PERVAIZ UL HAQ SIDDIQUI 42301-9884097-7 NAVEED UL HAQ SIDDIQUI 42301-2089615-9 SURRAIYA JAHAN	MUBIN UL HAQ SIDDIQUI MUBIN UL HAQ SIDDIQUI MUBIN UL HAQ SIDDIQUI	2,265	973	-	3,238	-	-	738	-	738
384	PUNJAB STEEL FURNITURE. H NO 27 ST NO 2 LEJNAH COLONY COLLEGE ROAD TOWN SHIP LHR	RAFIQUE AHMED 35202-0647396-1	SH. NISAR AHMED	534	670	-	1,204	-	-	670	-	670
385	IMRAN AND CO GHALLAH MANDI KALEKI TEH HAFIZABAD DISTT HAFIZABAD	IMRAN ASLAM 34301-4649978-1	MUHAMMAD ASLAM	2,720	3,225	-	5,945	-	-	2,358	387	2,745
386	ABU BAKAR ZARE FARM AHMEDPUR LAMMA SADIQABAD	SHAZIA NOURIN 31304-6147646-0	SHEIKH IFTIKHAR UDDIN	2,300	3,298	-	5,598	-	-	3,298	-	3,298

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
387	HAQ NAWAZ MOUZA ESSA WALA P/O AHMAD PUR SAIL TEH AHMED PUR SIAL DISTT JHANG	33203-9346575-1	NOOR MUHAMMAD	2,000	1,107	-	3,107	-	-	1,107	-	1,107
388	AHMAD NAWAZ BASTI NAWAZ ABAD P/O THAKMAHAL ALI GOHAR NO 326 TEH& DISTT BAHAWAL NAGAR	31101-8809660-1	KHUDA YAR CHISHTI	2,338	1,198	-	3,536	-	-	1,036	-	1,036
389	NASEER AHMAD VILLAGE MUSTAFA ABAD PO VIRKANWALI HAVAILI SATTHAN	38401-5860558-7	MUHAMMAD YAR	2,480	1,115	-	3,595	-	-	995	-	995
390	ABDUL SATTAR PAKKI MANDI ZIA SHAHEED ROAD MOHALLAH LALEKA COLONY HAROONABAD DISTT BAHAWALNAGAR	31104-1702897-1	MANZOOR AHMED	995	705	-	1,700	-	-	605	-	605
391	KALLU BROTHERS RICE DEALERS GHALLA MANDI NARANG MANDI P/O SAME TEHSIL MURIDKE DISTT SHEIKHUPURA	CH. BASHIR AHMAD KALLU 35401-1837336-1 ADNAN BASHIR KALLU 35401-1837296-5	CH. MUHAMMAD ALI KALLU BASHIR AHMAD KALLU	2,082	1,048	-	3,130	-	-	1,048	-	1,048
392	SCHON TEXTILES LIMITED PLOT NO C-4/A SITE KARACHI	SYED ATER HUSAIN 42301-9533743-5 SYED TAHIR HUSAIN 42000-2107518-9 NASIR H SCHON 42000-1427717-1 SYED AMIR HUSAIN 42301-0980580-7 MRS.ANJUM HUSAIN 42000-5848720-4 MRS.FARAH NASIR SCHON 42000-8294695-4 FARNAZ AMIR HUSAIN 91509-0116253-6	SYED TALIB HUSSAIN SYED ATER HUSAIN SYED ATER HUSAIN SYED ATER HUSAIN SYED TAHIR HUSAIN SYED NASIR HUSAIN SYED AMIR HUSAIN	22,508	30,723	-	53,231	-	-	30,723	-	30,723
393	SANAI PROCESS 68 RATTGON ROAD LAHORE	SHAHID AMIN KASHMIRI 35202-7099729-5	MUHAMMAD AMIN KASHMIRI	8,307	7,785	-	16,092	-	-	7,785	-	7,785
394	CHAMAN DAS GENERAL MARCHANT WARD # 74 PARO SHAHI BAZAR KHIPRO	CHAMAN DAS 44202-4583886-3	CHATTO MAL	6,000	802	-	6,802	-	-	802	-	802

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
395	MOHAMMAD SARWAR VILL ROHAILA P/O KOPRA TEH SAMBRAIL DISTT SIALKOT	34601-0870140-1	MUHAMMAD HUSSAIN	2,500	1,600	-	4,099	-	-	1,599	-	1,599
396	FAZAL ABDULLAH EXPORTS PVT LTD. P-838, LIAQUAT ROAD, FAISALABAD	CHAUDHARY ABDUL KARIM 33100-3352810-3 KASHIF KARIM 244-93-629981 HUMAIRA KASHIF 244-91-629983	CHAUDHARY MUHAMMAD ABDULLAH CH. ABDUL KARIM CH. KASHIF KARIM	2,954	1,312	-	4,266	-	-	966	-	966
397	SAJJAD AHMAD BASTI (JODHA DUDDY) MOUZA ABLANI POST OFFICE SHAH PUR THE HASIL PUR BWP	31203-1715792-7	KHAN MUHAMMAD	1,502	600	-	2,102	-	-	552	-	552
398	ZAHID RASHEED H NO.08 GALI 02 MOH KHUSHI MUHAMMAD GUJAR PELLAHABAD P/O SAME TEH CHUNIAN DISTT KASUR	35101-8952746-7	MUHAMMAD RASHEED	1,500	1,079	-	2,579	-	-	1,019	-	1,019
399	NASIR ABBAS CHAH AHMAD ABAD MOUZA DHAN MIANI P/O PHAR PUR VIA 18 HAZARI TEH. AND DISTT. JHANG SADDAR	33202-1295489-7	HAQ NAWAZ	480	858	-	1,338	-	-	813	-	813
400	PAK MELAMINE CHEMICALS LIMITED 210-MERHABA TOWERS KAREEM MARKET KAREEM BLOCK ALLAMA IQBAL TOWN LAHORE	LIAQAT ALI 34102-0422717-9 MUHAMMAD IMRAN MUBARIK 35202-0436254-1 MUHAMMAD SIDDIQUE 34101-2495221-3 MUHAMMAD SADDIQUE KALLAH 34101-2495221-3 RANA ZEESHAN MUBARIK 35202-9645678-5 CH. MUHAMMAD ISHAQ 35202-8303919-3 RABIA NAZ 61101-1108895-4	CH. MUHAMMAD YOUNAS HAJI MUBARAK ALI HAJI NOOR MUHAMMAD HAJI NOOR MUHAMMAD HAJI MUBARAK ALI CH. ALLAH DITTA Not Available	-	1,318	-	1,318	-	-	818	-	818
401	CH MUHAMMAD HARIS MANZOOR CHAK NO 102 SB P/O KHAS TEHSIL AND DISTT SARGODHA	61101-0361090-9	CH MANZOOR AHMAD	2,504	1,636	-	4,140	-	-	1,590	-	1,590

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
402	WASEEM AHMAD KHAN QTR NO 1 BLOCK C RAVI CAMPUS PATTOKI KASUR	35200-1453320-1	ABDUL SATTAR KHAN	727	319	-	1,045	727	-	319	-	1,045
403	ISHTIAQUE AHMED MUHALLAH LWARI SHARIF TALUKA & DISTT BADIN	41101-9231695-7	NOOR MUHAMMAD	430	95	-	525	430	-	95	-	525
404	YASIN KARAMAT QUAID MILLAT COLONY STREET NO 10 NEAR DATA GENERAL STORE CHUNGI AMAR DISHU LAHORE	35102-8720199-7	KARAMAT ALI	365	180	-	545	365	-	180	-	545
405	MUHAMMAD ASHRAF RIAZ BASTI NAWAINA BAD ALI WALIPO ALI PUR MUZAFFARGARH ALIPUR	32301-5158811-9	RIAZ HUSSAIN	427	104	-	530	427	-	104	-	530
406	IMRAN UL HAQ SETHI 10 RAZA BLOCK ALLAMA IQBAL TWON LAHORE	35202-4992545-9	SH.ABDUL HAQ SETHI	5,916	5,129	-	11,046	-	-	5,129	-	5,129
407	NASAR IQBAL DERA ALI KA DHORI P/O SAME TEH BHALWAL DISTT SARGODHA	38401-0326156-7	MUHAMMAD BAKHSH	650	569	-	1,219	-	-	539	-	539
408	HASSAN MUSHTAQ 52-GULLFISHAN COLONY NEAR UMER MKT. MORE SAMANABAD LAHORE	35202-2265341-7	CH. MUSHTAQ AHMED	3,861	3,769	-	7,630	-	-	3,769	-	3,769
409	AL REHMAN FILLING STATION VILLAGE DHODA P.O. DHODA TEHSIL PASRUR DISTT. SIALKOT	AAMIR IMDAD 34602-0766365-1	ABDUL REHMAN	1,850	661	-	2,511	-	-	621	-	621
410	GHULAM JAFFAR CHAK NO 242JB TEH CHINIOT DISTT JHANG	33201-1577377-7	MUDDI KHAN	1,000	568	-	1,568	-	-	518	-	518
411	RASHID MAHMOOD OFFICERS COLONY NO 2 MADINA TOWN HOUSE NO 128 B FAISALABAD	33100-0983968-3	IJAZ MAHMOOD	554	79	-	633	554	-	79	-	633
412	AMIR VALI VAHIDY H.NO.R-12, AL-NOOR SOCITY F.B.AREA, BLOCK 20 NEAR EDHI CENTRE, KARACHI	42101-3565802-5	M ZAKI VAHDY	1,660	288	-	1,948	1,660	-	288	-	1,948

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
413	ARMAN DAWOOD SADDAR AZEEM RD H NO 57 CANTT TEH DISTT JHELUM	37301-2220475-3	ASHIQ DAWOOD	397	135	-	532	397	-	135	-	532
414	WALEED BASIT CHAK NO 295 AYUB RESARCH STREET NO 1 MOHALA RASALLAH NO 12 FAISALABAD	33100-5494888-9	BASHARAT ALI	360	198	-	558	360	-	198	-	558
415	WAZIR AHMED SATHIO HOUSE NO 36 WARD NO 04 GHARIBABAD TANDO MUHAMMAD KHAN	41308-4842290-5	HAJI AHMED	992	795	-	1,787	-	-	687	-	687
416	STANDERD FEBRICS ALUNG LOHARI GATE GHANTA GHAR MULTAN	MUZAFFAR HASSAN KHAN 36302-7664154-1	HASSAN BUKHSH	1,500	1,869	-	3,369	-	-	1,689	35	1,724
417	PROGRESSIVE KNITWEAR PVT. LTD. 35-D MUSLIM TOWN LAHORE	ARIF SEAR 35202-2317502-7 SHAGUFTA ARIF 35202-8720576-2	MIR MUHAMMAD SHARIF W/O.ARIF SEAR	558	907	-	1,465	-	-	654	-	654
418	SHAHID MAHMOOD KHAN H# M/355 BALO KHEL MAKHDOOM HAJI SAHIB P/O TEH DISTT MIANWALI	38302-1205677-5	MUHAMMAD AKBAR KHAN	1,534	717	-	2,251	-	-	661	-	661
419	GHULAM FARID CHAK.NO.91/6-R P/O SAME DISTT SAHIWAL	36502-1305975-3	REHMAT ALI	2,399	736	-	3,135	-	-	635	-	635
420	QAMAR UZ ZAMAN CHAK KHOBAR P/O JAND WALA TEH BAHAWAL NAGAR	31101-3593052-5	MIAN MUHAMMAD ZAMAN	1,453	841	-	2,294	-	-	841	-	841
421	MUHAMMAD YAR ASWAN BHATTIAN P/O KHANQAH DOGRAN TEH SAFDAR ABAD	35504-0358207-5	MIRZA	800	870	-	1,670	-	-	845	-	845
422	ASIF IQBAL OIL MILLS MOZA KOT BAHADUR,MAKHDOM PUR ROAD KABIRWALA DISTT KHANEWAL	MUHAMMAD IQBAL 36102-8967663-9 MAHAR RIAZ HUSSAIN MAHAR 36102-2030563-7	MAHAR AHMAD MAHAR AHMAD KHAN	4,996	629	-	5,625	-	-	629	-	629
423	GORAYA BROTHERS SHOP NO 7 CHAUDHRY MARKET MONTGOMERY BAZAR FAISALABAD	SHAFQAT MEHMOOD 33100-8335971-7	MUHAMMAD ASHRAF	1,197	1,400	-	2,597	-	-	1,301	100	1,400

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
424	GHULAM QADIR VILL SADARWALI P O BADIANA TEH DISTT SIALKOT	34603-2217284-1	AHMED DIN	740	541	-	1,282	-	-	541	-	541
425	JAMAL FIBER MILLS 32 KM SHEIKHUPURA ROAD OPPOSITE PRIDE SPINNING MILLS FAISALABAD	SHER MUHAMMAD AWAN 35404-1628242-7 ABUBAKAR BILAL 35404-1144654-5	MUHAMMAD DIN AWAN GULZAR AHMED	6,768	682	-	7,451	-	-	545	-	545
426	ABDUL RASHID GOTH ABDUL RAHEEM MIRBAHAR HAKRA P.O MUHAMAD PUR TALUKA TEH DISTT	45102-5593003-3	QALANDER BUX MIRBAHAR	555	49	-	605	555	-	49	-	605
427	MUHAMMAD NASEER GALI NO 10 MOHALA ZAID PURA HU JRA OKARA GHOTKI	35301-1886438-9	GHULAM MUHAMMAD	497	18	-	515	497	-	18	-	515
428	MANSOOR AHMED MIRZA HOUSE NUMBER A-7 BLOCK 1 MUHALLAH GULSHAN E IQBAL KARACHI EAST	42201-1643547-9	MANZOOR AHMED MIRZA	1,771	96	-	1,867	1,771	-	96	-	1,867
429	SAIN TEXTILE ENTERPRISES OFFICE NO 9-10-GOLE CHINIOT BAZAR SHAHID MARKET FAISALABAD	MUHAMMAD ASGHAR 33100-2169956-9 MUHAMMAD AKRAM 33100-0621985-1 MUHAMMAD AFZAL 33100-0700001-7 MUHAMMAD ARSHAD 33100-0693456-3 MUHAMMAD AKBAR 33100-0707991-1	ABDUL MAJEED ABDUL MAJEED HAJI ABDUL MAJEED ABDUL MAJEED ABDUL MAJEED	39,819	15,936	-	55,755	-	-	15,936	-	15,936
430	ABDUL RAZZAQUE GOTH HAJI MUHAMMAD KAPRI DEH SOORJANI P O ABADGAR TAULUKA BULARI SHAH KARIM DISTRICT TANDO MUHAMMAD KHAN	41602-0589022-3	ABDUL SATTAR	888	775	-	1,663	-	-	663	-	663
431	SANA ULLAH KHAN THATHI NOOR PO SAME TEHSIL BHALWAL DISTRICT SARGODHA	38401-6707167-7	GUL SHER KHAN	1,100	1,279	-	2,379	-	-	1,129	-	1,129
432	FIDA HUSSAIN CHAK NO 18 P/O AND TALUKA GOLARCHI DISTT BADIN	41102-3773222-7	MUBARAK KHAN	985	703	-	1,688	-	-	588	-	588

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
433	ZAFAR IQBAL 242 JB TEH CHINIOT DIST JHANG	33201-1577378-9	MUDY	598	511	-	1,109	-	-	503	-	503
434	FAHIM RAFIQ P 34 STREET NO 3 MOHALLAH MEHNDI GOJRA DISTT TOBA TEK SINGH	33301-9747960-7	MUHAMMAD RAFIQ	1,500	1,039	-	2,539	-	-	739	-	739
435	ALUMINIUM COMPANY OF PAKISTAN INDS. PVT. LTD. ALCOP HOUSE E-5 SURVEY SHEET NO. 36/P/1 SURVEY NO. CC 8-A BLOCK 7 & 8, K.C.H.S. UNION LTD. KARACHI	MANSOOR AHMED KUSHTIWALA 42201-0799868-9 NADEEM AHMED KUSHTIWALA 42201-6123701-5 RIZWAN SAEED 42201-8354242-1 NOMAN SAEED 42201-6479541-3 FARHAN SAEED 42301-1538776-3 REHAN SAEED KUSHTIWALA 42201-3878446-5 ILYAS AHMED KUSHTIWALA N/A	HAJI FAZAL ELLAHI KUSHTIWALA HAJI FAZAL ELLAHI KUSHTIWALA SAEED KUSHTIWALA SAEED AHMED KUSHTIWALA SAEED AHMED KUSHTIWALA SAEED KUSHTIWALA FAZAL ELLAHI KUSHTIWALA	71,157	37,476	-	108,633	-	-	13,633	-	13,633
436	IJAZ AHMED VILL CHOWKE KALAN P.O. BEGOWALA TEH SAMBRIAL DISTT. SIALKOT	34601-3339715-3	ABDUL REHMAN	1,584	1,108	-	2,692	-	-	1,042	-	1,042
437	MUHAMMAD ASHRAF ASHRAF MANZIL GALI DR A.Q KHAN MOHALLAH GHOUSE PURA SIALKOT	34603-8365197-1	FEROZE DIN	2,500	1,571	-	4,071	-	-	1,521	-	1,521
438	ATLAS KNITWEAR PVT LTD SB-2 AL-AHMED PLAZA 1ST FLOOR SUITE A1 A3 BLOCK 13-C GULSHAN-E- IQBAL KARACHI	MANSOOR UL HAQ SIDDIQUI 421-60-004897 MRS.NISHAT KHURSHID 421-41-004896 AMJAD AHMED ALI 502-66-520231 MOHAMMAD SWALEH AHMED N/A	MUHAMMAD KHURSHID UL HAQ SIDDIQUI MUHAMMAD KHURSHID UL HAQ SIDDIQUI AHMED ALI SHAIKH AHMED ULLAH	7,113	5,176	-	12,289	-	-	5,176	-	5,176
439	MANZOOR AHMAD RANA MANGOWAL KALAN P/O KHAS TEH SHAHPUR SADDAR DISTT SARGODHA	38404-0529748-9	MUHAMMAD AZIZ RANA	1,100	665	-	1,765	-	-	664	-	664

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
440	MUHAMMAD KHAN NEAR EID GAH VILLAGE BATHAY WADH P/O SALHO KEY TEH DASKA DISTT SIALKOT	34601-1778654-1	MURAD ALI	2,000	875	-	2,875	-	-	825	-	825
441	FALCON FINISHING & DYEING PLANT HOUSE NO #-13 REHMAN ABAD NISHAISTA CHOWK KASHMIR ROAD GHULAM MUHAMMAD ABAD FAISALABAD	SABIR HUSSAIN BABAR 33100-2872389-1	MUHAMMAD BUKSH	8,497	8,103	-	16,600	-	-	7,574	529	8,103
442	MUHAMMED NAWAZ MOUZA HAMBOANA TEH LALIAN DISTT CHINIOT	33201-5268712-3	SULTAN ALI	799	566	-	1,365	-	-	515	-	515
443	AAMIR SHEHZAD DERA BAQRI JUSPAL DOULAT PUR TEH KOTMOMEN	38401-0228203-9	SHERA	380	751	-	1,131	-	-	631	-	631
444	MUHAMMAD QAMARULLAH KHAN KHACHI ARA P.O. MIR AHMAD SHER GHARH TEHSIL SAHIWAL	38402-2468992-9	MUHAMMAD ZAFAR ULLAH KHAN	2,102	1,135	-	3,237	-	-	1,097	-	1,097
445	RAJPUT BREAD INDUSTRIES LTD A 32 S I T E HYDERABAD B-493 FB AREA-A KARACHI	RAO MUHAMMAD JASEEM 42101-1863843-5 IFZA FAHIM 42101-7313715-2	RAO MUHAMMAD TASLIM W/O.RAO MUHAMMAD FAHIM	8,000	4,541	-	12,541	-	-	1,302	-	1,302
446	MUHAMMAD ASHRAF GONDAL DHORI PO KHAS PHULARWAN TEH BHALWAL DISTT SARGODHA	38401-0286186-7	CHAUDHARY MUHAMMAD NAWAZ	1,796	1,167	-	2,963	-	-	1,163	-	1,163
447	RAO SAEED AKHTER KHAN AKHTER FARM MAZHAR ABAD P/O DEPALPUR TEHSIL DEPALPUR DISTT OKARA	35302-1999417-1	RAO MUHAMMAD AKHTER KHAN	1,500	1,228	-	2,728	-	-	1,128	-	1,128
448	RAB NAWAZ H.NO.495.MOHALLAH PURANI ABADI GUJRANWALA ROAD KHANQAH DOGRAN SAFDARABAD	35403-5508076-5	LIAQAT ALI	1,460	537	-	1,997	-	-	516	-	516
449	AWAIS AKBAR TOOR CHAK NO.105 S.B TEHSIL & DISTT SARGODHA	38403-5786659-5	TANVEER HUSSAIN	1,000	682	-	1,682	-	-	632	-	632

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
450	MUHMMA D BASHIR & CO VILLAGE & P/O CHABBA SAND WANA TEH NOWSHRA VIRKAN DISTIC GUJRANWAL	M BASHIR 34103-4277203-1	REHMAT ALI	749	582	-	1,331	-	-	582	-	582
451	HAFAEEZ UR RAHMAN BASTI GAMO WALA DAAK KHANA LODHRAN SHER PUR LODHRAN	36203-9510870-1	MALIK ABDUL KHALIQ	1,400	874	-	2,274	-	-	774	-	774
452	ABDUL GHAF OO R CHAK NO 15/GB SHAMSA P O SAME TEH AND DISTT NANKANA SAHIB	35402-3581728-9	SHAH MUHAMMAD	629	651	-	1,280	-	-	651	-	651
453	PUNJ N AD OIL MILLS 19-KASSI VEHARI ROAD MULTAN	MUNAWAR KHALID JAVED 31201-3724837-9 SURAYYA KHADIM 31201-1927955-6 JAMSHED KHALID 31201-8910225-9 JAVED KHALID 31201-7549860-9	CH. KHADIM HUSSAIN SAFDAR MUMTAZ CH. KHADIM HUSSAIN CH. KHADIM HUSSAIN	2,000	1,560	-	3,560	-	-	1,376	53	1,430
454	MAQBO OL AHMAD CHAK NO. 27/SB P.O. SAME TEH. & DISTT. SARGODHA	3840386221601	JAMIL AHMED	800	571	-	1,371	-	-	541	-	541
455	MUHAMMAD ASLAM MOUZA AWAN ATTAR P/O SHAR GHAR TEH DEPALPUR DISTT. OKARA	3530167937193	MUHAMMAD ALI	525	757	-	1,282	-	-	682	-	682
456	CH IJAZ AHMAD BAJWA CHAK NO 145 RB WARD PURA TEH CHAK JHUMRA DISTT FAISALABAD	33101-8410503-1	CH MUHAMMAD RAFIQ BAJWA	849	572	-	1,421	-	-	572	-	572
457	FAIZ AHMAD BAJWA VILL KALAIR KOT P O RATTA BAJWA TEH DASAKA DISTT SIALKOT	34601-2522039-1	MUHAMMAD SHAFI BAJWA	1,300	799	-	2,099	-	-	759	-	759
458	LIAQAT ALI BASTI DHAH BAKAINI MOZA BAKAINI PO BAKAINI TEH JATOI DISTT MUZAFFAR GARH	32302-8263046-5	MIAN MOHAMMAD HASSAN	1,496	782	-	2,278	-	-	678	-	678

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
459	MUHAMMAD SHAHBAZ VILL.JHADA P.O.KOT HAKIM KHAN TEH.BHALWAL	38401-4868016-1	MUHAMMAD NAZIR	620	733	-	1,352	-	-	667	-	667
460	GHULAM HUSSAIN V.P.O HAZRAT KALIYAN WALA TEH WAZIRABAD DISTT GUJRANWALA	34104-4996861-3	NAZAR MUHAMMAD	549	671	-	1,220	-	-	670	-	670
461	KHIZZAR HAYAT POST OFFICE KARAM PUR DHALO TEHSIL MAILSI VEHARI	36602-5871109-9	KHAN MUHAMMAD KHAN	3,607	5,832	-	9,439	-	-	5,743	-	5,743
462	MUHAMMAD ALI PATOLI MUHALLAH MATLI POST OFFICE MATLI TULKA MATLI DISTT. BADIN	41103-3508066-7	MAJEED	2,000	1,807	-	3,807	-	-	1,607	-	1,607
463	GHULAM SHABIR MASTOI HOUSE NO.B-13 SCARP WAPDA COLONY NAUSHERO FEROZE TEHSIL DISTRICT NAUSHAHRO FEROZE SINDH MAIN ROAD NAUSHARO FEROZE	45302-0384972-5	GHULAM MUHAMMAD MASTOI	2,493	1,051	-	3,543	-	-	843	-	843
464	MUHAMMAD HUSSAIN VILLAGE SIDHAR WALI P O BADIANA TEH & DISTT SIALKOT	34602-5410920-3	SHUKAR DIN	2,499	1,183	-	3,682	-	-	1,082	-	1,082
465	MAWAZ KHAN V CHAK NO 23 MB PO 24MB TEH/D KHUSHAB	38201-1254125-9	GHULAM HAYDER	1,496	1,353	-	2,850	-	-	1,350	-	1,350
466	CH RASHEED AHMED CHISHTIAN ROAD MUDASSIR SHAHID SATRAIT MADINA TOWN BAHAWALNAGAR	31101-7554466-1	CH FAZAL AHMED	1,500	1,464	-	2,964	-	-	1,318	-	1,318
467	AFTAB AHMAD 214 RB DHUDHIWALA H NO P 20 ST NO 1 NOOR PURA	37203-2262287-5	MALIK JEHAN KHAN	1,600	391	-	1,991	1,600	-	391	-	1,991
468	MUHAMMAD FAISAL GALI NO 9 ASIF GENERAL STORE JHANDA CHICHI	37405-7421388-3	MOHAMMAD HAFEEZ	936	228	-	1,164	936	-	228	-	1,164
469	JAMSHAIK KHURSHAIK BHATTI PLOT NO:D-04/249,AKHTER COLONY KARACHI	37405-6881532-5	KHURSHAIK MASIH	499	122	-	621	499	-	122	-	621

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
470	SYED NADEEM RAZI H NO R 481 SECTOR 10 NORTH KARACHI NEAR HABIBIA MASJID	42201-3407551-7	HASEEB UR REHMAN	912	171	-	1,084	912	-	171	-	1,084
471	IMRAN D-V 280 USMANIA COLONY DODA VILLAGE GULBAHAR NEAR REHMANIA HOTEL	42101-1879723-3	MANZOOR AHMED	472	116	-	589	472	-	116	-	589
472	UMAR MUHAMMAD YOUSUF ABDULSATTAR HOUSE # 158, B-BLOCK GULFISHAN COLONY, JHANG ROAD	65933-1100002-1	M ABDUL YOUSUF SATTAR	496	115	-	611	496	-	115	-	611
473	RUBINA LIAQAT HOUSE#P-47-A BHARWAL COLONY ABC ROAD	34601-1553116-2	MALIK MUHAMMAD LIAQAT	498	97	-	595	498	-	97	-	595
474	MUHAMMAD ALI H NO B-III ASIF COLONY MP RD	42401-5571997-5	AHMED WALI	749	174	-	923	749	-	174	-	923
475	ZEB A GULSHAN JAVED FLAT 302 B BLOCK 3RD FLOOR NAZ PLAZA MA JINNAH ROAD NEAR GUL PLAZA AND ELECTRONICS MARKET	42401-0699489-6	GULSHAN JAVED MASIH	451	97	-	548	451	-	97	-	548
476	NAVEED AHMAD HOUSE# 40-A BLOCK#D PCSIR STAFF COLONY COLLEGE ROAD	35201-1271769-9	GHULAM HUSSAIN	786	146	-	932	786	-	146	-	932
477	KIRAN TANVEER HOUSE # 591 MOH SARFARAZ COLONY MAIN BAZAR PAHARI GROUND FOWARA CHOWK NEAR DILPAZIR MEDICAL STORE	33102-8223101-4	TAIMOOR HUSSAIN	500	123	-	623	500	-	123	-	623
478	SAIMA BATOOL ROOM NO. 418 4TH FLOOR PBC RADIO PAKISTAN SECTOR G-5	37405-0567962-4	SYED HADI HUSSAIN	483	122	-	605	483	-	122	-	605
479	MUHAMMAD MUSSADIQ BUTT OFFICE # 2 FIRST FLOOR USMAN PLAZA NEAR SHARIF MOTORS WEST CANAL ROAD	35202-1637668-5	AGHA MUHAMMAD SHAREEF	495	107	-	602	495	-	107	-	602

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
480	SYED ZAFAR ADNAN H NO 138 K BLOCK JOHAR TOWN	35201-9102433-3	SYED HAMID ALI	541	126	-	667	541	-	126	-	667
481	SHAHBAZ ALI HOUSE NO 1-C SHAH KAHWAR TOWN BHATTA CHOWK DEFENCE ROAD NEAR BHATTA CHOWK DHA MALL	35201-7796872-5	MUKHTAR AHMED	437	68	-	506	437	-	68	-	506
482	AHMED SAEED HOUSE # 780/A BAHRIA TOWN	33100-1793304-9	MUHAMMAD USMAN ALI	489	116	-	605	489	-	116	-	605
483	ZAHOOR AHMED STREET KHATIKAN WALI INSIDE KHALI GATE	34101-0269955-3	ABDUL QADOOS	1,117	210	-	1,327	1,117	-	210	-	1,327
484	SYED MUFAKHAR HUSSAIN 80 ABDALI ROAD FAYSAL BANK LTD	36302-1630369-5	SYED SABIR HUSSAIN	632	170	-	802	632	-	170	-	802
485	ABDUL SAMAD SHAIKH FLAT # A-105 ROOFI LAKE DRIVE GULISTAN E JOHAR BLOCK 18 NEAR PERFUME CHOWK	45501-6901214-1	ABDUL SATTAR	970	196	-	1,166	970	-	196	-	1,166
486	ALI NAWAZ CHEEMA HOUSE # 30/3 12TH LINK SARWAR ROAD NEAR: ZAKIR TIKKA,LAHORE CANTT	35202-9337058-5	BABAR NAWAZ CHEEMA	491	102	-	593	491	-	102	-	593
487	MURSALEEN 68-HABIB HOMES, PECO ROAD, TOWNSHIP, PUNJAB	35202-7516679-5	Mehmood Ali	557	100	-	657	557	-	100	-	657
488	M FAYYAZ KHALID 20-E MODEL TOWN	35202-6743199-3	Muhammad Tufail	608	111	-	719	608	-	111	-	719
489	MOHAMMAD IMTIAZ KHALID HOUSE# 311,MARGALLA ROAD, SECTOR F-10/3. PUNJAB	61101-2772459-9	Muhammad Riaz Ul Haq	469	61	-	530	469	-	61	-	530
490	SHABBIR AHMAD HAIDER PARK,HAIDER STREET, MAIN OUTFALL ROAD,ISLAMPURA, H.# 16, LAHORE, PUNJAB	35202-2967398-3	Abdul Aziz	595	117	-	712	595	-	117	-	712
491	MOHAMMAD AMIR 177,STR# 10, CAVALRY GROUND EXT PUNJAB	35201-2819459-3	Abdul Ahad Khan Rao	555	121	-	675	555	-	121	-	675

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
492	SHAHID LATIF HOUSE# 163 B STREET 10 NEAR CENTRAIL AVENUE PHASE 1 BAHRIA TOWN	37405-0647203-3	Abdul Latif Khalid Minhas	451	101	-	552	451	-	101	-	552
493	MALIK SHAFIQ UR REHMAN HOUSE # 165 BB PHASE # 4 DHA CANTT	35200-1574362-3	Umar Hayat Awan	400	114	-	514	400	-	114	-	514
494	MOHAMMED ALI SHYHAKI F-3 , SUITE NO 301, PLOT NO 124 N, KHYABANE MUSLIM, DHA PHASE 6, TAHA HOMES,	42301-1030160-9	Ali Shyhaki	480	82	-	562	480	-	82	-	562
495	ANJUM AZHAR 32/51 B STREET 03 DHA PHASE 06 LAHORE	37405-8612020-0	M AZHAR MALIK	575	139	-	714	575	-	139	-	714
496	ZOHAIB RAZA H NO 9D CANAL PARK HOUSING COLONY HAROON ABAD DIST BAHAWALPUR	31104-9122662-1	BASHIR AHMED	402	113	-	515	402	-	113	-	515
497	CH MUHAMMAD NASIR RASHEED HOUSE#SN 945 MOHALLAH CHAUDHARY COLONY SHAMSABAD RAWALPINDI	37405-9892596-5	CH MUHAMMAD RASHEED	482	103	-	585	482	-	103	-	585
498	MUHAMMAD ZUBAIR HOUSE#64,STREET NO-4, SABZI MANDI ROAD,BLOCK#5, NEAR,AL AZIZ MARRIGE HALL KHANEWAL	36103-3873316-9	M JAMIL	979	175	-	1,154	979	-	175	-	1,154
499	UMER AKBAR SHAH H NO 24 BLOCK P PHASE 1 DHA LAHORE	35202-8501763-9	PEER AKBAR SHAH	499	99	-	598	499	-	99	-	598
500	FAHAD AZIZ PLOT NO WS-1 M.N APPARTMENTS 1ST FLOOR FL-1 BLOCK-2 CLIFTON OPP BILAWAL HOUSE.KARACHI	42301-2378247-9	ABDUL AZIZ	499	133	-	632	499	-	133	-	632
501	SIKANDER IQBAL CHODHRY MADINA COLONY, NEW GHALLA MANDI HOUSE# 94. MULTAN.PUNJAB.	36302-0421637-9	M IQBAL CHOUDHRY	1,041	239	-	1,280	1,041	-	239	-	1,280

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
502	MIRZA RAHEEL AKHTAR STREET CHANDA FAN WALI SHAHDOLA ROAD CHAH BERI WALA GUJRAT	34201-3938237-7	MIRZA MUHAMMAD NAWAZ	495	95	-	591	495	-	95	-	591
503	MUNSIF ALI H#RC 5/31 BLK R USMNA GHANI COLONY NEAR MASJID E SAKHRA NORTH NAZIMABAD, KARACHI	42101-0748722-9	FAQEER GULL	462	131	-	593	462	-	131	-	593
504	SHEIKH TARIQ AMEER HOUSE#62/97 WARD#07 MOHALLAH USMANIA TEHSIL KEHROOR PACCA LODHRAN CITY MULTAN	36202-3091360-7	SHEIKH MUHAMMAD	836	310	-	1,146	836	-	310	-	1,146
505	MOHAMMAD BABAR HOUSE # 1196/B, SAYZING STREET, MOHALLA CHA KHAJI WALA, KAMALIA DIST. TOBA TEK SINGH	33302-8821497-1	MUHAMMAD HANIF	496	119	-	615	496	-	119	-	615
506	AZHAR WALI MOHAMMAD HOUSE NO 507 (BASEMENT) STREET NO 128 SECTOR G-9/3, ISLAMABAD	42301-2788584-9	Wali Muhammad	654	67	-	722	654	-	67	-	722
507	SYED HASNAIN ABBAS KAZMI HOUSE NO. 94/A E-BLOCK SATALITE TOWN RAWALPINDI	37405-0271116-3	S TAJAMAL HUSSAIN	499	119	-	618	499	-	119	-	618
508	ASAD ALI 154/2 A BLOCK MODEL TOWN LAHORE	35401-0417715-7	MUHAMMAD ASIF	485	74	-	558	485	-	74	-	558
509	MALIK NADEEM YAQOOB HOUSE NO 77 BLOCK B-1 WAPDA TOWN GUJRANWALA	34101-3758556-9	MALIK YAQOOB	611	157	-	768	611	-	157	-	768
510	NAWMAN AHMED HOUSE# D 11 PHASE 3 NHS KARSAN KARACHI	42301-4568587-7	SIDDIQUE AHMED	914	216	-	1,130	914	-	216	-	1,130
511	TANVEER AHMAD H NO 1 ST 20 AHATA THANEDAR AZIZ ROAD CHAH MIRAN 'NEAR HBL WASSAN PURA BR, LAHORE	35201-6959081-7	NAZIR AHMAD	413	110	-	522	413	-	110	-	522

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
512	MUHAMMAD NASEER KAYANI DAKHANA ALI PUR FARASH MAJOHAN TEH ZILA ISLAMABAD	61101-4758294-3	M SAID KAYANI	496	113	-	609	496	-	113	-	609
513	SHAHZAIB AHMED NOON H # 109 MOHALLAH KHALID COLONY MULTAN	36302-7346395-7	RANA SHAHZAD AHMED NOON	641	142	-	783	641	-	142	-	783
514	MUHAMMAD YASIR KHAN DURRANI HOUSE NO. 77-A MAIN JINNAH STREET, SECTOR 1, AIRPORT HOUSING SOCIETY NEAR GULZAR E QUAID, RAWALPINDI	16101-9549769-9	ABDUL SATTAR KHAN DURRANI	462	130	-	592	462	-	130	-	592
515	NOMAN SHAHID H NO C 26 PHASE 2 FAZAL TOWN NEAR DOGA PLAZA RAWALPINDI	37405-7679696-7	SHAHID AHMED KHAN	494	143	-	638	494	-	143	-	638
516	ABDUL WAHEED VIRK HOUSE NO 247 NASHTAR BLOCK ALLAMA IQBAL TOWN LAHORE	34101-0306395-5	M TUFAIL	483	106	-	589	483	-	106	-	589
517	MUHAMMAD ZAHID MUGHAL C/O HIDAYAT ULLAH MUGHAL PO BOX KHAS VILLAGE DHONIKI TEHSIL WAZIRABAD DISTT GUJRANWALA	34104-1130124-9	HADAYAT ULLAH MUGHAL	977	151	-	1,128	977	-	151	-	1,128
518	MUHAMMAD IQBAL P/O KHAS CHAK NO 26/BC NEAR HBL ADDA 13 SOLING BAHAWALPUR	90403-0178552-3	MUHABAT ALI	481	103	-	584	481	-	103	-	584
519	SARDAR ALI HOUSE NO.251, SABRI STREET, DARBAAR MAHAL ROAD NEW MUSLIM TOWN, BAHAWALPUR	31205-8439764-9	SHEIKH BASHIR AHMED	498	113	-	611	498	-	113	-	611
520	MUHAMMAD SHAKEEL FAIZ HOUSE# A/393, ST# 22 MOHAN PURA, RAWALPINDI	37405-0309162-5	Not Available	598	136	-	734	598	-	136	-	734
521	SHAHID MAHMOOD KHOKHAR HOUSE NO 1 SAFETY HOMES LANE NO 1 OPPOSITE SULEMAN SWEETS SIALKOT ROAD, GUJRANWALA	34101-2533680-7	Not Available	637	123	-	760	637	-	123	-	760
522	AMIR MAHMOOD GULBERG III 133-E/1 LAHORE	35202-0217788-9	Not Available	621	136	-	756	621	-	136	-	756

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
523	REHAN UZ ZAMAN P 3872 IST FLOOR MCB BLDG HAJIABAD ROAD SHEIKHUPURA ROAD FAISALABAD	33100-0900046-7	SIKANDAR IQBAL	1,056	205	-	1,261	416	-	205	-	621
524	AHMED SHARIF FLAT # 3 BANGSAR PLAZA COMMERCIAL MARKET RAWALPINDI	61101-7367870-7	WADEEM ANWAR	1,057	221	-	1,278	307	-	221	-	528
525	GHULAM MURTAZA KHAN HOUSE # 42-S KHUDA BAKSH HOUSING SOCIETY ALLAMA IQBAL AIRPORT LHR CANTT LAHORE	35202-2440691-9	WASAL KHAN	942	142	-	1,084	382	-	142	-	524
526	KHALID PARVAIZ HOUSE #42/II KHYABAN-E-HILAL PHASE-VI, D.H.A. KARACHI	42301-3495760-7	Not Available	1,024	131	-	1,155	444	-	131	-	575
527	ABDUL WAQAR WAQAR BUILDERS, FLAT NO. 01, MUSTAFA APARTMENT, MURAD MEMON GOTH, TEHSIL MALIR, KARACHI	42501-1392782-1	ABDUL GHAFFAR	1,184	313	-	1,497	434	-	313	-	747
Unconsolidated				5,458,793	3,742,146	-	9,199,755	2,315,683	-	3,575,381	10,847	5,901,140
528	QASIM HUSSAIN CHAH QADIR WALA POST OFFICE PEER JAGI PANAH A SMAA L GHARBI TEHSIL & DISTRICT LAYYAH	3220316576687	WAHID BAKHASH	843	99		942	792	170			962
529	GHULAM QADEER SABIR NEW GHALA MANDI MUHALLAH KOT PEER MASTAN SHAH MULTAN	3630275947703	ABDUL MAJEED	422	50		472	422	102			524
530	Muhammad Altaf Basti Bangala Gardaiz Pur Shujabad.	3630426259369	Faiz Bux	687	118		805	687	146			833
531	QAISER EHSAN H#19 ST#13 BANK COLONY SAMAN ABAD LAHORE	3520269549917	EHSAN ULLAH	626	107		732	626	155			781
532	MUHAMMAD SHAKEEL House No. 2 Street No. 1 Mohalla Capri Park Faisalabad Road Sheikhupura	3540404079171	REHMAT ALI	757	90		847	757	168			925

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
533	MUHAMMAD BILAL AWAN DAIWALA P/O BATA PUR LAHORE	3520164047933	MUHAMMAD IQBAL	704	82		786	704	181			885
534	BAKHT ALI R-221 3RD FLOOR BLOCK 10 BAKHTAWAR GOTH GULISTAN JOHAR KARACHI	3230180472625	KHUDA BAKHSH	427	74		501	427	145			573
535	AZMAT ALI PLOT # 1003 STREET # 33 MEHMOOD ABAD PECHS KARACHI	4210115163963	MUHAMMAD ALI	470	83		553	455	134			588
536	MUMTAZ HUSSAIN POST OFFICE KHAS CHAK NUMBER 244 J B TEHSIL BHAWANA DISTRICT CHINIOT	3340303770995	UMAR HAYAT URF UMARA	550	66		616	550	137			687
537	ASIM MUKHTAR H#84,MUHALLA MIRAJ PARK BEGUM KOT SHAHDARA LAHORE	3520211736473	MUKHTAR HUSSAIN	690	95		786	690	182			872
538	ALI HAIDER H 308 MOHALLA G.T ROAD SHALIMAR CHOWK BAGHBANPURA LAHORE	3520180651385	MUHAMMAD RIAZ	669	88		757	669	159			828
539	MUHAMMAD RIZWAN HUOUSE NO 39 STREET NO 3 MUHAJAR COLONY LIAQAT PUR RAHEEM YAAR KHAN	3130209119023	M GULZAR	791	88		879	791	189			981
540	ALLAH BUX CHAK NO 152A/TDA PO LADHANA TEHSIL & DISTRICT LAYYAH	3220334744767	HAJI FAQEER MUHAMMAD	821	70		890	821	170			991
541	ABDUL LATIF LAKRAN VALA DEPALPUR LAKRAN VALA DEPALPUR	3530109099549	MUHAMMAD SHARIF	394	53		447	394	112			506
542	ABDUL GHAFFAR NEAR MASJID QUBA KHAN PARK MOHALLA SEGHAL GARDEN DIJKOT	3310020049943	MUHAMMAD YAQOOB	462	59		521	462	113			575
543	SHAHERYAR P/O SHORKOT CITY KAKI NOO DOEM TEHSIL SHORKOT DISTRICT JHANG	3320391321521	MUHAMMAD HAYAY	1,000	172		1,172	938	203			1,141
544	MARRIYUM INAM ULLAH KHAN H-87 STR-3 A ONE COLONY GULBERG A ONE COLONY GULBERG	3520015008992	CHAUDRY ANAM ULLAH KHAN	380	69		449	380	131			511

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
545	MUHAMMAD QASIM ABRO VILLAGE DUR MUHAMMAD P.O KAKAR DUR MUHAMMAD TALUKA KHAIRPUR NATHIN SHAH DISTT DADU	4130687613533	ALLAH WARAYO ABRO	800	74		874	634	143			777
546	BASHART ALI SATHYALI P.O. CHAK QAZIAN SHAKAR GARH NAROWAL	3450215835171	ABDUL RASHEED	405	57		462	405	122			527
547	ABDUL JABBAR GOTH DARGAHI P/O CHAK NO.181/NP TEHSIL SADIQABAD DISTT. RAHIM YAR KHAN	3130498163459	DHENGANA	790	70		860	686	139			826
548	HAJI MUHAMMAD ASHIQ CHA BARI WALA P/O KHAS GOGRA	3620318160663	RANA MUHAMMAD SADIQ	392	62		453	392	116			508
549	MUHAMMAD IMTIAZ ST # 2 IQBAL NAGAR MARZI PURA BUREWALA VEHARI	3660198121283	HAJI MUHAMMAD IQBAL	636	90		726	636	168			804
550	JAMSHAD HAIDER POST OFFICE KATH YALA WARKAN BIDAD PUR TEHSIL MUREEDKAY DISTRICT SHEIKHUPURA	3540504139795	MUHAMMAD BUTA	495	0		495	470	80			550
551	ARSHAD IQBAL LALOWALI P/O SAME SARGODHA	3840339454985	BHOLA	418	63		480	418	111			529
552	ITTEFAQ ITTEFAQ JAVAID NAGAR , POBOX KOTABDUL MALIK , FEROZWALA	3540154853117	MUHAMMAD RAMZAN	913	114		1,027	913	228			1,141
553	MUHAMMAD SHAKEEL CHAK NO 419 EB BUREWALA VEHARI	3660120672459	MUHAMMAD HUSSAIN	999	56		1,055	757	71			828
554	MUHAMMAD USMAN TAHEAT POST OFFIC E CHAND RAAY LAHORE	3520248117243	MUHAMMAD AFSAR	1,000	34		1,034	966	142			1,108
555	SHABBIR HUSSAIN POST OFFICE KAAHNA NO AHLO TEHSIL LAHORE CANTT DISTRICT LAHORE	3520153101091	DARA	500	20		520	461	59			519
556	KHURASHEED AHMED TALLAT PARK MAIN BUND ROAD LAHORE	3520247608039	ALLAH DITTA	398	54		452	398	117			515

Details of advances written-off
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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
557	NASIR MEHMOOD NEAR GRID STATION MUHALLA SALAMAT PURA WARBURTON TEH & DISTT NANKANA SAHIB	3550102196289	RUSTAM ALI	1,000	110		1,110	1,000	222			1,222
558	Raaj Kumar PARO SAWAI ROAD SHAHDADPUR SANGHAR	4420452508937	Asoo mal	398	72		470	398	127			526
559	MUHAMMAD FARAZ RAKKA CHAND RAY HOUSE NUMBER 286 MOHALA G AWALAH COLONY LAHORE CANTT DISTRICT LAHORE	3520117814029	MUHAMMAD YOUNAS	495	9		504	470	79			550
560	HAMMAD AZEEM PARACHA H#286,MUHALA TARIQ ABAD,KHANEWAL H#286,MUHALA TARIQ ABAD,KHANEWAL	3610365287617	HAFAEEZ AHMAD PARACHA	537	84		621	537	133			670
561	MUHAMMAD IRSHAD PURAB P.O RAVI RIYAN FEROZWALA DISTRICT SHEIKHUPURA	3540158563169	BARKAT ALI	800	10		810	470	101			571
562	MUHAMMAD ASHRAF STREET NO.1 ELYAS COLONY SADIQABAD RAHIM YAR KHAN CHAK NO.132/P P/O 158/P SADIQQABAD	3130464403597	MUHAMMAD HUSSAIN	700	135		835	700	208			908
563	MUHAMMAD SAFYAN CHAK NO 44 TARA GARH P/O KHAS PATTOKI KASUR	3510357371629	MUHAMMAD YOUNAS	646	114		760	646	157			804
564	JUNAID JAVED H NO.5 FAROOQ-E-AZAM STREET REHMANPURA LAHORE	3520209769735	JAVED IQBAL	1,000	43		1,043	942	141			1,083
565	JAVED KHAN VILL:GUJREE PO SANGHAR SANGHAR	4420338363605	SHER ALLAH KHAN	420	53		473	420	119			539
566	MUHAMMAD IRFAN SHAKAR GANJ H#04 sT#10 SYED PUR MULTAL ROAD LAHORE	3520205555647	MALIK REHMAT ALI	395	60		454	395	115			509
567	MEHBOOB KHAN FAROOQ E AZAM P/O KOT SULTAN SUHARA WASAWA LAYYAH	3220301379273	MANZOOR AHMAD	660	70		730	660	157			816

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
568	KUHRAM JUNAID H # 16 ST# 24 MOHALA NAZAAM ABAD KOT KHWAJA SAEED LHR	3520232533393	JAMSHAIQ IQBAL	927	157		1,084	927	244			1,171
569	WASEEM SHARIF GALI MOLVI HABIB ULLAH WZD H#VII/3S/12 WAZIRABAD	3410423148025	MUHAMMAD SHARIF	446	69		515	446	110			557
570	DAWOOD AHMAD CHAK NO 451 EB BUREWALA VEHARI	3660109319043	MAHBOOB AHMAD	693	92		785	693	131			824
571	MUHAMMAD NASIR PO RAJANA CHAK 536 GB BHAGAT ESCAPE TEHSIL & DISTT T.T.SINGH	3330352857103	MUHAMMAD YASIN	488	81		570	488	129			617
572	HASSAN RAZA BUKHARI NAZD NEW KHAN ADDA JALALPUR ROAD MOHALA HASHMI COLONY SHUJA ABAD DISTRICT MULTAN	3630428712777	KARAMAT HUSSAIN SHAH	1,000	-		1,000	941	140			1,080
573	MUHAMMAD ZUBAIR GULSHAN COLONY STREET #11 GOGIA SHAHAB DIN BUNDRoad LAHORE	3520215327927	ABDUL MAJEED MANA	885	130		1,015	885	213			1,098
574	SHAH ZAIB BEROON PAK GATE HOUSE NUMBER 9 35 MOHALA SHATRANJI BAF MULTAN	3630265398691	NAZAR HUSSAIN	579	105		684	579	133			711
575	AKHTER ALI CHAK NO 275 EB POST OFFICE KHAS BUREWALA VEHARI	3660195083437	MUHAMMAD AKBAR	515	73		588	515	134			649
576	USMAN ALI POST OFFICE KHAS JAAGIR BASEEN TEHSIL AND DISTRICT GILGIT	4220123799015	SHER AHMED KHAN	750	-		750	730	115			845
577	ABDUL GHAFAR new center jail road house#1-A MOHALLA SUNSHINE COLONY MULTAN	3630265331447	ABDUL GHAFOR	757	92		849	378	177			556
578	MUHAMMAD GULZAR KHALIQ H # 16 GULSHION FAZAL COLONEY BWP	3120240638589	ABDUL KHALIQ	997	118		1,115	997	257			1,254
579	MOHAMMAD ZAMAN BHIRI KHURD P/O KHAS NOSHEHRA	3410371226527	MOHAMMAD MANSHA	800	30		830	524	67			592

Details of advances written-off
ANNEXURE II

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
580	MUHAMMAD ASGHAR BASTI RAJPUTAAN WALI POST OFFICE KAAHNA NO AHALO TEHSIL LAHORE CANTT DISTRICT LAHORE	3520187924213	FAJR UD DIN	495	21		516	470	71			541
581	MOHAMMAD SOHAIL JAJI H NO 87-LDA BEGUM PURA LAHORE	3520119161059	MOHAMMAD SIDDIQUE	873	99		972	873	203			1,076
582	MUHAMMAD RAMZAN CHAK NO 439 EB BUREWALA VEHARI	3660110874877	MUHAMMAD HUSSAIN	555	64		619	555	122			678
583	MUNIR SULTAN H#1 CHOUDHRY PARK RASHID ROAD BILAL GUNJ	3520243492313	NAZIR AHMED	744	-		744	744	185			929
584	ABDUL RAZZAQ H#3 ST#A-6 BLOCK SHAH DEEN PARK DAROGHWALA LHR.P.O BAGHBANPURA TEH. LAHORE CANTT & DIST. LAHORE	3520113141865	BARKAT ALI	722	90		812	722	162			883
585	MUHAMMAD HANIF HOUSE NUMBER 1 MOHALA WARD NUMBER 1 B R B PUL JALO MOR LAHORE CANTT DISTRICT LAHORE LAHORE	3520114544285	GULAAB KHAN	502	103		605	502	159			661
586	MUHAMMAD ASLAM CHAK NO 423 B TDA PO 388 TDA LAYYAH	3220328741875	MUHAMMAD IQBAL	518	69		588	518	132			650
587	ABID ALI H NO 2 STREET NO 6 MOHALLA QUAID MILLAT COLONY CHUNGI AMAR SIDHU LAHORE	3520277323577	NIYAMAT ALI	500	12		512	443	75			518
588	MUHAMMAD SAJID AHLO P/O KAHNA NU LAHORE	3520234647997	MUHAMMAD JAVED	495	21		516	441	73			515
589	ABDUL QAYYUM AMAD GARDEN SALEEM TOWN KAHINA NU LHR	3520172128675	ABDUL REHMAN	433	84		517	433	130			563
590	MUHAMMAD AZIZ H# 28 E144/6 ARIF ABAD 1	3520116854695	GHULAB DIN	833	-		833	833	198			1,031
591	SYED AZHAR UDDIN AHMED TARIQ PLAZA FALAT # D 6 PLOT # 7 S/BLOCK C NAZIMABAD KARACHI	4210154843779	SYED IKRAMUDDIN AHMED	396	75		472	396	130			527

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
592	MUHAMMAD IRFAN GALI SHAH PUR KANJRA MOHALA BAHTI TEH LAHORE DIST LAHORE 03097419305	3520245241031	MUHAMMAD LATIF	404	78		482	404	119			523
593	SHAUKAT ALI FEROZ PUR MUHALA DULO KALAN GLAXO FECTORY LAHORE	3520133650403	JAFAR HUSAIN	488	79		568	488	134			622
594	ZAHD HUSSAIN BASTI Rajpotan ALOKI P/O KAHNA LAHORE	3520180838929	MUHAMMAD ASLAM	495	43		538	489	84			573
595	RAHIB ALI QAIM KHAN THARI MIR WAH KHAIRPUR SINDH	4520689944521	ALLAHWARYO	480	47		527	438	88			526
596	Muneer Ahmed W.No 2 Mohalla Mir Muhammad Digri Mirpurkhas	4410102055153	Mir Abdul Kahlque	408	68		476	408	125			533
597	ZEESHAN ALI P.O. QILLA KALAR WALA MOHALLA LAL PURA TEHSIL PASRUR DISTT. SIALKOT	3460298919589	MUHAMMAD KHALID	565	71		635	565	138			702
598	MOHAMMAD FAHEEM ASLAM NATIONAL HOSPITAL MULTAN ROAD PHOOL NAGAR TEHSIL PATTOKI DISTRICT	3610312688249	MOHAMMAD ASLAM	963	166		1,129	963	264			1,228
599	ABID MEHMOOD ST # 2 IQBAL NAGAR MARZI PURA BUREWALA VEHARI	3660167102617	MUHAMMAD IQBAL	670	89		759	670	166			836
600	MUHAMMAD IRFAN BERONE SOHA BAZAR CHOWK RANG BAZAR HOUSE NO F-763 LAHORE	3520284519915	ABDUL RASHEED	495	43		538	489	83			572
601	SHEIKH MAKHDOOM ALI SHAHZAD CLOTH MARKET SHERAWALA GATE AZAM CLOTH MARKET LAHORE	3540117922111	SHEIKH ZAHOOR AHMED JAFRI	787	-		787	751	128			879
602	MUHAMMAD ALMAS NUTT P/O BATA PUR LAHORE LAHORE	3520162285929	MUHAMMAD ABBASS	719	74		793	719	153			872
603	IFTIKHAR ALI BERKI CHAK NO 439 EB POST OFFICE SA BUREWALA VEHARI	3660146853245	MUHAMMAD HUSSAIN	566	74		639	566	151			717

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
604	SHAHNAWAZ NEAR STADIUM GROUND CHANNA MUHALLA JACOBABAD	4310253006821	ESSA	500	12		512	445	83			528
605	NUSRAT NISAR AHMED WAZIR ALI H # E710 MOHALA SYEDON SHAH COLONY APAR MALL LHR	3520112758592	NISAR AHMED	411	80		491	411	124			535
606	DILAWAR ALI ALI M-6 GHULAM HUSSAIN COLONY MUBARAK COLONY HYDERABAD	4130266305297	GHULAM ALI	421	69		491	421	141			563
607	ABDUL RAHEEM UJJAN VILLAGE GUL MOHAMMAD UJJAN PO THARO SHAH TALKA BHIRYA DISTRICT N FEROZE	4530143971155	ABDUL RAOUF UJJAN	500	117		617	500	155			655
608	MUHAMMAD RIAZ H # 10-A,ST#01, MOHALA RAJPOOT PARK SHAD BAGH LHR TEH. LHR CITY DIST. LHR	3520213345539	MUHAMMAD HEERA	473	72		545	473	136			609
609	NAVEED ANWAR HOUSE NO 13 W BLOCK HOUSING SCHEME BUREWALA VEhari	3660105402087	MUHAMMAD ANWAR	494	-		494	494	111			605
610	LAL ZUBAIRA STREET#2,MOHALA BILAL PARK BEGUM KOT SHADRA LAHORE	3520266889870	MASRI KHAN	937	134		1,071	937	221			1,158
611	ABDUL AZIZ GAON RASHEED KHIABAR POST OFFICE KHIAB AR KHABRANI TEHSIL AND DISTRICT MATYARI	4130558133825	WAKYO KHAN	500	1		501	474	95			570
612	Tahir Mahmood Ghawind Lahore Cant Lahore	3520112060739	DURAB KHAN	971	134		1,105	971	258			1,229
613	ZAHID IQBAL BASTI GHUNIAN KHAN PUR	3130199197819	ABDUL RAZZAQ	400	129		529	400	129			529
614	IJAZ HUSSAIN KOT YAQOOB POST OFFICE MURIDKE	3540503611449	GHULAM QADIR	468	67		535	468	135			603
615	Muhammad Yousaf kana labana p.o khas muridkay shaikupura	3540106304663	nawab deen	879	111		990	879	228			1,107

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Diorectors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
616	Nasir Ali HOUSE NUMBER FS 74/8 MOHALA F SOUTH MALIR TOUSEE COLONY	4220102614407	RIASAT ALI	500	10		510	435	81			515
617	MUHAMMAD JAFAR BASTI RANGPUR,P.O LODHRAN KOTLA ALI DASTI	3620318436959	NOOR MUHAMMAD	488	63		551	488	118			607
618	Sarfraz Ali Mohalla Jandiala Road Miraj Pura	3540454823525	Muhammad Tufail	447	54		501	447	101			548
619	MUHAMMAD TARIQ HOUSE NO.7 STREET NO.7 MOHALA AMIR TOWN HARBANS PURA LHR	3520190485591	HAJI SUFI MUHAMMAD ALI	791	94		886	791	199			990
620	TARIQ MEHMOOD CHAK NO 461 EB BUREWALA VEHARI	3660138409055	GHULAM QAMAR	1,000	24		1,024	548	63			611
621	Khalid Hussain Mohala Mir Colony Tando Jam Hyderabad	4530228745215	Muhammad Umar Khokhar	388	59		447	388	121			509
622	SABIR HUSSAIN AWAN DAYWAL P/O BATAPUR LAHORE	3520148961395	BARKAT ALI	848	135		983	848	210			1,058
623	AFTAB AFZAL NAZD SHAMS BAGH MOHALA GILLANI UCH SHARIF TEHSIL AHMEDPUR EAST DISTRICT BAHAWALPUR	3120171915547	MUHAMMAD AFZAL	800	5		805	702	89			791
624	JHANGEER AHMED CHOUDHRY NEAR TAKIA SARDAR SHAH H#18 S#5	3520259175249	CHOUDHRY REHMAT ALI	814	91		905	814	190			1,004
625	SHAHID IQBAL TAR GHAR LAHORE	3520013989281	HAKIM ALI	429	-		429	429	143			572
Consolidated				5,520,686	3,748,942	-	9,268,445	2,374,770	13,908	3,575,381	10,847	5,974,135

For the year ended December 31, 2021

The particulars of disposal of fixed assets to related parties are given below:

Description	Original cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyer
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------(Rupees in '000)-----

Electrical, Office and

Computer Equipment 388 198 190 250 Insurance Claim Jubilee General Insurance Limited

Total

388	198	190	250
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